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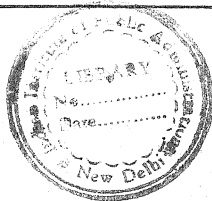
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EDITORIAL

FOR LONG there has been a clamour for replacement of Weberian concept of bureaucracy with "something new, innovative and action-oriented, that is development administration". David Hirschmann, in a scholarly but provocative survey of this problem, refers to the theoretical developments and changing perspectives of bureaucracy in the African context. The situation will not be very different in most of the developing countries in Latin America or Asia, though the specific case study relates to Lesotho. As the writer brings out, the demand is for a bureaucracy which pays great attention to performance rather than procedures, and which is task-oriented in structure and participatory in working. Hope is expressed that through this the growing gap between the poor and the bureaucracy will get narrowed. The case study brings out how, where and why the things go wrong. The writer acknowledges that his article is 'harsh' from an angle, but it is of interest as "it is primarily about texture, tone, style and language--in short, the 'sound' of bureaucracy". And he goes on to say: "The new bureaucratic lexicon certainly took on some new features and emphasis: 'constraints' replaced 'problems' and 'bottlenecks' 'shortages'. 'Parameters' replaced 'limits', and 'increments' 'increases'. 'Exploitation' or/and 'utilization' took over from 'use'. 'Transport' could mean a 'truck', 'manpower' a 'truck driver', 'prioritization' was used in place of 'choose', and 'cost-benefit analysis' was regularly referred to when 'pros and cons' would have sufficed. This was the world (or 'operating environment') of estimates and guesstimates, project formulation and evaluation, and projections and feasibility studies. Memoranda, negotiations, meetings, agenda, corridors and offices, and even bars, were full of integrated rural development projects, pilot projects, policy framework, transport surveys, manpower surveys and socio-economic data. And it was always essential to observe that although health services were curative in nature, they would soon become preventive; that although planning was a top-down process, it would become bottom-up in time; and to preface all good proposals and assessments with the inseparable, magical words 'political', 'social' and 'economic' ". It may be worthwhile to quote from the concluding paragraph also: " 'Advisers'

were to be replaced by 'consultants'; 'administration' by 'management', 'calculators' by 'computers', 'proposals' by 'systems', 'performance' by 'printouts' and 'deadlines' by 'critical paths'. But while the sound was going to undergo some changes, the reality of bureaucracy seemed destined not to." Does it not sound very familiar?

Phul Chand provides a broad historical survey of the federal financial relations in India since the establishment of the British rule. The narrative, covering pre-Independence era and the era after enforcement of the Constitution, provides a detailed background for our thinking today about the fiscal and financial tensions which are evident. Sarkaria Commission is seized of the matter. The planning process has not necessarily served as solvent of these tensions. We may share the author's optimistic observation "that the history of federal financial relations in India is in a sense the history of constitutional developments in the country and the people's struggle for independence and national integration". But one is apt to question if that is enough for the problems of today and tomorrow. That in fact indicates the need for a dispassionate and indepth analysis of the issues involved so that the regional aspirations get harmonised with national needs and priorities. R. Sudarsana Rao discusses the allied operational problems of 'The Role of Grants-in-aid in Indian Federation'. Some of the important aspects, identified by the author and about which there may not be difference of opinion, have to be scrutinised in the light of our experience to arrive at 'a rational policy' since this seems to elude us in the 'politics of scarcity'.

Y. Venugopal Reddy makes a worthwhile contribution in practical terms to what is commonly known as 'multi-level planning'. He attempts an integrated framework for evaluating planning machinery at sub-national levels. It has been recognised as a crucial problem of our planning process and performance. Reddy provides informative and useful guidelines for consideration by the political masters as well as the administrators concerned with planning and development in the country. Though couched in simple terms, the article, due to its significance, merits wider discussion.

S. Md. Aminuzzaman, in his paper, "attempts to review some of the dominant strategies and models of rural development

in the light of the experiences of the countries in the Asia-Pacific Region". He briefly discusses the strategies, models and approaches which have been worked out during the last two decades or so, both in conceptual terms as well as from operational angle. The role and approach of some important institutions, such as the World Bank, the UN, USAID and Asian Development Bank, have also been indicated. The author rightly concludes: "An effective rural development strategy is basically the product of a systemic interaction of the components where patterns of asset distribution, organisations and institutions, incentive systems, mode of production and production relationships and selected endogenous and exogenous factors maintain a dynamic equilibrium. However, the success or effectiveness of such strategy would depend not so much on technical inputs and token changes in administrative infrastructure but on conscious and deliberate reforms with total political commitment." An informative survey of the status of rural development strategies, it should help to stimulate more informed discussion among policy-makers as well as those who are engaged in the multiple tasks of rural development.

G. Ramesh attempts to provide a conceptual model of organisational characteristics of large sized service organisations and advances some interesting hypotheses "to provide link between the structure, behaviour and performance" of such organisations. A brief review of the existing literature on the subject precedes the discussion of features and the designing of the conceptual model. He concludes with accent on the need for 'dynamic perspective' in organisational life. Ramesh's article is of particular use and interest to the students of organisational theory and behaviour.

When the stress is on the strengthening of the grassroots administration or on sharpening the cutting edge of administration, the job satisfaction of the functionaries at this level of administration assumes significance. Ravindra Sharma reminds us that the concepts of motivation, morale and job satisfaction are inter-related and he goes on to discuss in this context the problem of job satisfaction of the Village Extension Workers in Rajasthan. Though the article has a limited focus, it is of wider relevance and deals with an area where greater empirical research is called for.

We have included in this number two prize winning essays of IIPA's Annual Essay Competition for the year 1985. The Institute announces every year the subjects and prizes are awarded at the time of the Annual General Body Meeting of IIPA Members. The aim is to evoke interest in matters relating to administration and promote creative response among students and practitioners of administration. The essay by P.S.A. Sundaram deals with the theme of 'Housing for the Poor'. The paucity of house is very glaring in the developing countries. Planners do suggest many strategies but the problem remains. The constraint is not only of resources but also of organisational inadequacy. Special agencies get set up and even the private sector vs. public sector debate starts. The author, in his essay, examines the Indian situation. The other prize-winning essay by Dr. Krishna Mohan Mathur deals with issues of 'Value System in Administration'. What is the meaning of the value system in administration? Can they be conceptualised and concretised? What is the relationship of administration as a sub-sector with the value system of the society? Can they be consciously inculcated through training or personal example? Precepts only ritualise the value of so-called value system or ethical dimension of administration. In a wide-ranging article, the author covers such issues, analyses the many inadequacies of administration and suggests steps that may help to promote greater awareness of value system in administration. But intellectual perception is not enough since values must be lived as otherwise all such talk is just homage to hypocrisy.

Computerisation in different areas of administration is expected to cope with the complexities as well as demands of expedition in the administrative set-up. From this angle, the case study relating to 'Computerised Financial Information System in Government of Gujarat' by R.K. Sachdeva and R.C. Kajarekar may have lessons for other state governments. A brief analysis by Arun Deekshit about the use of computers for monitoring of malaria eradication programme is similarly of interest to the community.

The present issue also carries the usual feature of Book Reviews.

'Sound' of a New Bureaucracy : An African Example

DAVID HIRSCHMANN

IN 1964, an American scholar, Edward Weidner, after having observed 12 years of American technical assistance to newly independent countries in Asia, concluded that the attempted transfer of "Weberian, or presumed Weberian, rationality" to poor countries must be replaced by something new, innovative and action-oriented, that is **development administration**.¹ He was one among many who urged the new bureaucracies of Asia and Africa to find radically different ways of relating themselves to their people and managing public affairs. Ten years later, despite little progress in these novel directions, one still heard American scholars, such as Gross and Esman, calling for a new type of civil service, one which emphasised performance rather than procedures, task-oriented structures and, above all, participatory planning and administration.² In Gross' words, the bureaucracies had to become "less oligarchic, less technocratic, less stratified ... and more deeply rooted in the aspirations and needs of the ordinary people".³ And in the eighties, David Korten is still calling for reform measures to help close the growing gap between the bureaucracy and the poor. These measures include:

- (a) introduction of planning methods which allow action to be guided by a knowledge of the lives of the poor and the dynamics of the social and physical ecologies that sustain their poverty;
- (b) approaches to restructuring individual government agencies in ways which make it possible for their personnel to facilitate growth in the capacity for choice and action of those they serve; and
- (c) changes in the linkages between individual institutions required to break down barriers to collaborative action on complex problems, and in the meta-structures which shape governance processes to make decentralised levels of government more responsive to the people they serve.⁴

To make a long story (and there was a considerable volume of literature along these lines) short, the call was essentially for the bureaucracy to turn itself on its head, to debureaucratise itself: routines, procedures, hierarchies, compartmentalisation were all to be de-emphasised; task-orientation, flexibility, integration, people-participation and development were to replace them.

However, civil services the Third World over have not changed; they have remained bureaucratic, and elitist.⁵

The basic organisation and structure of the South Asian bureaucracies were determined during the Raj and members are still trained as 'generalists' on the basis of British traditions. Despite the decolonisation of these societies, the elitist nature of these services has not changed. They are still recruited from the top universities and on the basis of criteria inherited from the days of the Raj. The selection is primarily determined by a candidate's Western value orientation and proficiency in the English language.⁶

And where the rules have broken down, the results have often not been the positive ones anticipated by those looking for reform. Quah notes, for example, that bureaucratic corruption among Southeast Asian nations has become "one of the most serious and embarrassing obstacles to national development."⁷

The article focuses on the nature of bureaucracy (in the area of governmental responsibility) of a 'new' country, namely, Lesotho, a very small, extremely poor and dependent, landlocked and mountainous country in Southern Africa, which attained political independence from Britain in 1966. The period of reference is the first half-a-dozen years or so after independence, that is the period immediately after the break with colonial administration during which a fledgling civil service faced a daunting array of problems and responsibilities; a process complicated by the comings and goings of expatriate advisers (still predominantly British) and the difficulties of localisation of senior and middle level posts. The focus is on administration of planning process, planning being regarded at the time throughout the Third World as a reform essential to progress and development.⁸

The article provides a contextual framework for the issues to be discussed: the very real substantive problems confronted by the administrators need to be explained. It is, however, primarily about texture, tone, style and language--in short, the 'sound' of bureaucracy. By stepping into the world of the Lesotho civil servants at that time, and listening carefully to them, its purpose is to record

that 'sound' to indicate how well recognised bureaucratic jargon came to mingle with modern terminology of planning and development, and to juxtapose the new sound with the reality, namely that the old established characteristics of bureaucracy--as described in any textbook or reader--remained firmly entrenched in Lesotho.

The new bureaucratic lexicon certainly took on some new features and emphasis: 'constraints' replaced 'problems', and 'bottlenecks', 'shortages'. 'Parameters' replaced 'limits', and 'increments', 'increases'. 'Exploitation' or/and 'utilisation' took over from 'use'. 'Transport' could mean a 'truck', 'manpower' a 'truck driver', 'prioritisation' was used in place of 'choose', and 'cost-benefit analysis' was regularly referred to when 'pros and cons' would have sufficed. This was the world (or 'operating environment') of estimates and 'guesstimates', project formulation and evaluation, projections and feasibility studies. Memoranda, negotiations, meetings, agenda, corridors and offices, and even bars, were full of integrated rural development projects, pilot projects, policy frameworks, transport surveys, manpower surveys and socio-economic data. And it was always essential to observe that although health services were curative in nature, they would soon become preventive; that although planning was a top-down process, it would become bottom-up in time; and to preface all good proposals and assessments with the inseparable, magical words 'political, social and economic'.

The new language was, of course, faddish to some extent, but it was also important. Plans, project and aid--the keys to survival and growth of ministries and to the success of their officials--depended to no small extent on getting language right. Guess wrote, "the often volatile and manipulative political context of organisations tortion to throw outsiders ... off the trail"⁹. Hummel observed:

A language that does not allow mutual definition and redefinition by speaker and hearer is admirably designed to maintain a one-way power relationship from the top down... The client's only chance is to learn the language of the agency from which he or she seeks service and accepts the kind of help that is codified into its vocabulary.¹⁰

Finally Goulet has noted:

The exercise of social control by technological elites is greatly facilitated by the arcane language and symbolism they employ. If knowledge is power, then esoteric knowledge is by definition, inaccessible power.¹¹

The economists in the newly founded Central Planning Office had the advantage. They controlled the new expertise, and they intended to use it. The non-economists, and that was the vast majority of middle to senior level officers, soon realised that they could make up for this to some extent by familiarising themselves with the new buzz-words and by interjecting them strategically into conversations and proposals.

The new technically-pitched language, even if less than fully understood, gave one access to negotiations. It did not overcome deficiencies in expertise, and it lacked the bite necessary for the "volatile and manipulative political context" in which bureaucratic conflict takes place. So it had to be blended with another more predominant mode of speech, one representative of an aggressive and unsympathetic attitude towards the work of one's 'colleagues' in other departments. There was in these years a readiness to criticise and downgrade others: a readiness observed so regularly that it should be seen as a broadly practised bureaucratic strategy--by diminishing other departments, one builds up one's own. There was little effort made to show understanding for, or patience with, difficulties experienced by other agencies, while reasons were always available to explain the deficiencies of one's own. All departments, for example, suffered to some extent from lack of adequately trained and experienced staff. The failings of one's own agency were attributed to "Cabinet (Personnel) not giving us anything like the staff we need", "the wasteful transfer of our best people", "a training programme which takes our most promising professionals overseas", "the Head of Department having to attend conferences abroad", etc. By contrast, other departments seldom received such understanding, and would be severely criticised for inefficiency and weak performance. This primary commitment to one's sub-unit (rather than to the civil service as a whole) embraced expatriate advisers as well. Part of the reason for importing foreign 'experts' is to boost the expertise and influence of a particular agency, and visitors were, therefore, soon thrown into the fray. While their interests were not as closely tied to their departments as those of their local counterparts, they nevertheless participated fully in the hurly-burly of inter-departmental conflict, backing up complaints and charges against others, and defending their own agencies (and themselves).

Into this environment, a small group of planners was introduced. The development administration school of reformers foresaw the establishment and evolution of the planning machinery as part of a systematic exercise in administrative reform. In practice, it turned out to be a case of a new sub-unit struggling to increase its influence in conflict and competition with other better established sub-units

of the Lesotho civil service. It has been observed that vested interests, which characterise bureaucracies, often oppose a 'new order', which renders uncertain the 'differential advantage' they derive from standing arrangements.¹² Also that, in the face of uncertainty, bureaucracies respond either by closing the system boundary or (if that is impossible, which it was in this case) by creating special cells to deal with and contain the disturbing element.¹³

Opposition, suspicion and containment confronted the Central Planning Office (CPO). The relatively youthful planners (the 'youth' issue will be dealt with later) saw themselves as central to government interest and vital to nation-building, and they tended to say so. Other ministries, however, concerned with their own autonomy and their freedom to compete for resources were very wary indeed of any moves to extend the control of the planners. The planners soon complained about their lack of influence, about the fact that nobody, politicians or officials, took planning seriously, and about lack of cooperation from the ministries.

... politicians make us prepare projects in a very short time ... it is very embarrassing and you can't do a good job because the collection of data and information and preparation and consultation take time.

When these projects went off (after OPEC countries offered additional aid to Africa) the whole planning process broke down. That was the big boys playing stupid games and there was nothing we could do about that. Everybody got gold in their eyes and started thinking money would flow like oil. Some bizarre things went off ... and, of course, they came back again.

They also bemoaned their lack of manpower to do what was expected of them. Ministries were more than ready to agree that the planners were not doing their job, but they were less than enthusiastic about enlarging the CPO. When the CPO got its way in 1973, the decision to increase its staff did not receive universal approval. "I hear they are hanging out of the windows now, not sure what to do with themselves", someone in the Budget Office commented. Another officer put it more politely:

If one compares the size of the CPO with certain relevant factors, it is, in fact, too big. Ten local professionals and four expatriates are provided for. A capital development programme of R3-4 million (+\$5-6 million, then) per annum does not warrant that

staff, nor a recurrent budget of R10-12 million. Also, for a population of one million and a small geographical area, the CPO is overstaffed.

The planners' response was that the increase in qualified personnel would enable them to attract, and prepare for, a far larger capital development programme--which they were to succeed in doing.

Being weak from the outset, the CPO set out to enhance its power in the civil service. One way was to try to find the most advantageous administrative location for the office. In seeking, but not finding, satisfaction, the Office was moved regularly from the Prime Minister's to the Finance Minister's office and back again. While the planners were seeking influence, other departments were concerned with supervision and containment of the office. Some officers felt that the Prime Minister would control it more effectively. Others argued that the Prime Minister was too busy to keep an eye on it, and that it belonged under the Finance Minister: he was an economist, he was tough, and he would ensure that the planners "would not get away with any monkey business" It would, of course, also improve coordination between budgeters and planners and lead to more rational and mutually supportive capital and recurrent budgets:

CPO should be in the same ministry as the Budget Office ... budget preparation involves all ministries and this could be a starting point for coordination. The budget people tend to be fiscalist--and see everything in money terms only. By putting planning in with them, it would force them to think more broadly in economic terms and force cooperation between the two and coordination of the ministries.

In order to strengthen their position, and to make planning work, the CPO saw it as essential that all foreign aid negotiations be channelled through it, and that progress reports on on-going projects be submitted regularly by the ministries. Resistance by officials in the ministries was sometimes subtle, sometimes less so (Crozier's "subtle communications system of old-timers"¹⁴ and Dimock's 'retreatism'¹⁵ could clearly be observed at work) to prevent the planners moving in on their domain, and their own inadequacies emerging. Whenever possible, they circumvented the CPO (despite a circular from the Prime Minister to the contrary) and went directly to foreign donors for aid.

Our experience taught us that if we follow that strictly we shall never get anything at all Everytime I go overseas I talk to

people and this is how we have managed to get the little progress we have. I ignore planning, foreign affairs, and everybody, and go ahead.

They also did not prepare progress reports. The planners pointed out that these reports constituted essential feedback to the planning process, enabling them to update and reformulate projects. The ministries were unmoved; they remained unwilling or incapable of responding. According to one planner, ministries would respond to his requests by asking: "Why do you come along and keep disturbing us for all this information and what are you going to make of it?" Another planner described his experience as follows:

I have had no success in getting progress reports. If you have to send a savingram requesting information, they don't reply. If you phone and say you are coming to get it, when you get there they tell you they haven't got it. They look at you as if they wonder whether you think they have got nothing better to do than prepare information for the CPO.

The ministries argued that not only did the preparation of these reports take too much time, but that there was no point to do it.

CPO don't react in the way of remedial action CPO did nothing ... we felt they just threw them in the wastepaper basket ... When we stopped sending reports ... they did not ask about it until a donor agency would ask for information.

Another example of resistance was observed when the CPO attempted to encourage establishment of planning units in all the major ministries. The planners saw this as necessary to sound sectoral planning and to the more effective integration of planning into governmental decision-making. Some ministries acknowledged the usefulness of the idea, but others saw it as an extension of an office of which they were suspicious. This latter group saw it as 'empire-building': 'they want to put their boys in our ministries'. One way in which this opposition emerged was in terms of a professed deep mistrust of other professional disciplines. The interdisciplinary integrated approach to development, so important to the tenets of development administration, did not rate highly here.

I don't believe that an economist is necessarily the right planner They can never understand the machinations of our particular profession [medicine] and as a result they make errors.

Professional people who understand the technical engineering side must be responsible for planning ... for example, the costing, engineering, feasibility studies of a road project or a water project could only be dealt with by professionals There is no need for a Planning Unit here at all.

The economists too had their prejudices:

Doctors are not planning kind of people. Professionally, they deal with patients on a one to one basis and they are used to situations where they get the best that is around for each patient and don't see that as taking away from other patients. They are not used to statistical magnitudes, or to thinking ahead.

When in place in these ministries, the planning units struggled to gain acceptance, status and relevance to policy-making. One senior officer in the Ministry of Works--years after the planning unit had been set up in his Ministry--denied any knowledge of the unit. He said that projects were prepared in his office and sent on. "I don't know of the existence of a planning unit in the Ministry. I never came into contact with it either in planning or preparing projects".

Another method employed to undermine the influence of the Planning Office was to keep up a steady barrage of strong criticism of the office ends its work. It was variously described as a 'bottleneck', 'a begging office', 'a post office, and an inefficient one at that', as 'lethargic' as 'dealing with everything and nothing' and 'just waffling around, getting down to nothing'. There was certainly good cause for criticism, but some of the problems could not be blamed on the CPO. For example, the reference to a 'begging office', was meant to convey the view that the planners were interested solely in seeking foreign aid, and were not in fact engaged in planning; but aid was exactly what the political leadership wanted, and demanded from the planners. A cause of much negative comment--again in an area over which the CPO had little contact--concerned the youth and inexperience of its personnel who were referred to as 'a kindergarten', 'small boys', 'children', and 'the kids on Kingsway' (the Planning Office was sited on Kingsway, the main street of the capital, Maseru). A young planner explained:

You have a generation gap. CPO is staffed almost entirely with very young bright upstart college graduates, and I think people in the ministries--just because in Lesotho society elders are held in great respect--cannot take these people seriously no matter what their qualifications.

It was condemned for basing decisions on inadequate data, for failing to keep up with changes in the field, for lack of guidance and for lack of planning. There was not much the CPO could do immediately to solve some of these weaknesses, and some of them were aggravated by lack of cooperation from the very departments criticising it. "Since I have been here", an expatriate economist, who had been in the Ministry of Works for fifteen months, commented, "I don't remember anything as far as planning is concerned". A senior Lesotho official in the Ministry of Agriculture observed (the 'puns' appeared to be unintended):

We are still living from hand to mouth--just when an idea comes up, for example an irrigation project, we all flock there--we do the thing and see to it that ultimately funds are made available ... and then another idea crops up, for example, woolwashing--we flock to it. But in fact there is no planning.

They were censured too for lack of coordination, often by people who made it clear that they had no wish to be co-ordinated; for failing to provide 'guiding parameters' ("According to the planners the sky is the limit--this is hogwash, no policy") sometimes by officials who would strongly resist any limitations suggested by the planners; and for poor project appraisal. "As far as I am concerned", commented one planning unit economist, "there is no questioning, pertinent or inane, either about specific projects or economic details, or, obviously, on technical details, or on the package as a whole". A planning unit economist in a other ministry gave the following example:

I prepared two projects for construction of clinics in the most appalling positions--fortunately one got lost [in the CPO], but the other we have got the money for. Its in a very thinly populated, remote, inaccessible spot--some Chief was quite keen. The Principal Secretary [of our ministry] okayed it and the CPO never queried it There was no road of any description and it was on the wrong side of the river. CPO never asked what the basis of the decision was, nor for population figures, distances from other clinics, none of which had been explained.

The planners responded with a list of constraints to effective planning in Lesotho, most of which found their origin outside the Planning Office: there was lack of a data base for planning and it would take time for the Bureau of Statistics to improve on this; project preparation in most of the ministries was defective, in some

cases it was hopeless; politicians did not take planning seriously and thus set a poor example to civil servants; ministries were unwilling to submit documents in time to fit in with deadlines; and donors pressed their own requirements and schedules on the planners:

The Lesotho Government has been in a position much more of a passive reactor than of active agent ... we have adjusted ourselves to the donors' procedures, mainly because we did not have our own procedures, and that led to terrible confusion.

They also pointed out, and with some justification, that as time passed, planning was improving and that it was producing concrete results in the form of the initiation of projects. In response to yet another criticism, that they really did not understand the technical and administrative aspects of the work of the ministries, the planners conceded that they were obviously not trained in all technical fields; however, they went on to explain that when ministries accused the CPO of lack of understanding, what they really were saying was that CPO did not fully appreciate their 'vital' contribution to development, and therefore directed too few resources in their direction. They also pointed out another problematic division in the administration of planning:

People who implement often complain about people who are planning, simply because the difficulties are qualitatively different, and it is also easy for people doing planning not to appreciate the difficulties of implementers; and it is not a characteristic of implementers that they have planning capability. So there is reasonable ground for breakdown.

The CPO, initially a very small fluidly organised agency, consisting of young local officers anxious 'to get the country moving' set out to plan with a minimum of paperwork. This disregard for routines and procedures (of which the development administration reformists may have approved) attracted extremely hostile comment. A stress on conformity and reliability, which transforms an adherence to rules from a means to an end is a long observed trait of bureaucracy. The familiar process of displacement of goals¹⁶, and of 'ritualism' indicated by an emphasis on institutional means at the expense of overall goals¹⁷ are, of course, long-recognised bureaucratic characteristics. Inefficiency and poor document management would be a cause of strong criticism in any civil service. In a small new civil service, in an area like economic planning, it becomes an even more significant issue. In evaluating, departmental performance, the level

of 'efficiency' is the one measure that all administrators have sufficient expertise on which to make an informed assessment. There was no large body of officials qualified to judge the substantive planning of the office (as there would not be to assess, say, the professional proficiency of civil engineers or veterinary surgeons). So efficiency became the simplest common denominator of evaluation, and the new CPO failed the test.

I think their filing system is to dump everything in the backyard that comes through the front door.

One does get a feeling that project memoranda are drifting all in different directions and not getting where you want them to get. For example [X] project--I sent it off to Planning 18 months ago and I've not heard of it since.

'Finger-pointing' is yet another negative trait of bureaucratic organisations which this new bureaucracy lived up to. Dimock commented on resistances which are so elusive that it is next to impossible to spot where exactly the slowing down process occurs. "It is as though each person has his finger pointed at the next person ... and no one individual can be pinned down."¹⁸ This phenomenon is implied in many of the examples given so far. But a particularly striking illustration concerned the Ministry of Works' responsibilities at the planning and implementation stages of projects. During the former, Ministry of Works (MOW) was responsible for designing and costing all construction projects, and at the latter stage it undertook the construction itself or negotiated contracts with private firms. All the other ministries, in particular the Planning and Budget Offices, saw How as a very serious 'bottleneck', lacking executive capacity, and failing to implement more than half of the scheduled projects each financial year. This led to a considerable loss of British money which, if not spent within the planned twelve months, returned to the British Treasury. MOW officials pointed out that through no fault of theirs, the Ministry was short of qualified staff.

It is all very easy to criticize the Architect's Department--but there isn't an Architect ... and because people in other ministries address letters to us entitled 'Chief Architect' they think they have got an Architect.

They blamed this shortage of personnel on the uncompetitive salaries offered to engineers by the Lesotho Government, the unbalanced local

educational system which produced predominantly social science graduates, sluggish recruitment procedures by the Government Personnel Office, resignations of senior expatriates who left out of a sense of frustration, and because other ministries did not comply with MOW's requirements and schedules.

Late in the financial year, a ministry will wake up and come rushing in and say "We must get this project built or else we lose the money". But it is too late.

Above all, they claimed, they were unable to complete their work each year because of continual and lengthy delays in getting funds released from the Budget Office. "An enormous amount of time" of a number of senior officers "is wasted trying to find out why we haven't got cash and trying to get cash released?" The Budget Office flatly denied that this was a problem:

There are procedures for obtaining the release of funds. Any ministry can obtain funds for projects that have been passed under the correct heads.

Following correct routines, money could be released within one day. The MOW was adamant that this was not the case.

It is just not so for Finance to say that ministries can get release of funds within one day ... I have personally gone up there and waited two days and came away with nothing ... and I cannot fathom the delay.

Ledgers were displayed which showed that many projects had been forced to operate in the red for a whole year, the release of funds coming through in the last week of the financial year. Both parties stuck to their interpretations of the cause of delay and the Government continued to lose aid which the donor had agreed in principle to give.

Subsumed in this article so far, and in the notion of competing sub-units and sub-unit ideologies, is another bureaucratic characteristic, that of 'we'-relationships and 'they'-relationships. While this usually refers to the civil servants as 'we' and the public as 'they',¹⁹ it is also directly relevant to inter-agency conflict within the bureaucracy itself. The relevance will be illustrated with three examples, all of them close to the heart of development administration. The first deals with planning and budgeting. All

the literature on development planning concurs that the key to effective planning is a close and supportive relationship between the Budget Office and the Planning Office. In Lesotho, at this time, nowhere was inter-agency conflict more intense than between these two offices. The Budget Office was concerned with raising local revenues, controlling local expenditures and balancing the budget. Not surprisingly in a country as poor as Lesotho, its ideology was 'solvency'. "Above all", the Budget Controller stated sternly, "the Government of Lesotho has to remain solvent". The CPO, by contrast, had the responsibility of attracting and facilitating the spending of money (mainly foreign) with the purpose of implementing new projects. Its ideology was 'development' which also meant 'expenditure'. Thus on a question of say, recurrent costs of new projects, the two offices were set up for conflict. Further, the Budget Office's task of controlling expenditure required close attention to, and respect for, routines, procedures, etc. The planners in these early years saw routines as a colonial hangover which delayed real progress. In addition, the Budget Office was dominated by middle-aged British advisers, the Planning Office by young locals. Negative stereotypes developed quickly. The planners saw, and described, the budgeters as old-fashioned, tight-fisted and rigid, while the budgeters saw the planners as inexperienced, irresponsible, inefficient and over-optimistic. Each accused the other of encroaching on his terrain, which in practice was almost inevitable. It took a number of years, and not before the heads of both offices were transferred, for this conflict to be resolved.

The second example is not based on any substantial conflict of office ideologies. It shows rather how the 'we-they' syndrome operated primarily because two agencies--in this case doing very similar things -- were located in two separate ministries. The CPO, as we have seen, moved between the Finance Ministry and the Prime Minister's office. The Town and Country Planning Department was in the Ministry of Interior, where it was left to flounder in its own ineffectiveness. The first town plan for the capital was a good one, but on the departure of the designer it was lost. A second town planner produced a second plan: it was inferior to the first, and was ignored by both planners and politicians. The third town planner discovered the first plan, but refused to use it: he was soon to be accused of corruption and ordered to leave the country. One Assistant Town Planner committed suicide and the other left the country at the end of his contract. So by 1974, there was still no physical plan for Maseru or anywhere else in the country, and no professionals in the office. Support and interest were in very short supply in the

CPO. A Planning Officer responded to a question about this:

Occasionally they say how badly we need a plan for Maseru, and how nobody pays attention to the plans they make for Maseru, and occasionally I hear that they are rushing off somewhere to survey something. I haven't been impressed that they do anything. I have no idea what they do, but whatever it is they don't do very much of it ... and what they do nobody pays any attention to ... As far as I am concerned there is no Maseru town plan, and there have been town planners wandering around Maseru for the last six years--it's a scandal. It seems irrelevant to my work, but I have not bothered to find out.

The third illustration of the 'we-they' phenomenon, related to decentralisation, another central reform proposal of development administration.²⁰ In Lesotho, the politicians put a quick end to democratic devolution by closing down the elected District Councils and replacing them with nominated, civil servant controlled District Development Committees. The leadership also blocked planning at district level by appointing politicians as District Development Secretaries, posts which were intended for economists. And the District Administrators, supposedly in charge of the districts, found their status and relevance to decision-making substantially reduced.²¹ One District Administrator commented favourably on the 'good old colonial days' when the District Commissioner (as the post was then known) was 'the symbol of authority and coordination' in the districts:

With independence we got ministers, permanent secretaries, assistant ministers, principal administrative secretaries, all with status above the district administrator, and they had around them henchmen who also felt above the DA.

The district administrators saw the district development committees which they chaired as 'useless talking shops', lacking a budget, responsibility, power and implementation capacity. They were very critical of the Planning Office and the planner:

They are not given a chance to gain experience before they are given full responsibility in the central headquarters. For example you will not find one graduate from the university since 1964 in economics or administration who is in the districts. They are in Maseru fiddling with files and they don't understand the contents. They can't make head or tail of the districts because

they have never been there. I am sure they have not been in three-quarters of the country. They never get out of Maseru. CPO projects are irrelevant because they are not started from the grassroots. They are an imposition.

It might be effective with people abroad, but not with the people of Lesotho.

The needs of the districts were not reflected in the First Plan. We didn't know who produced it. It was backed by the Prime Minister and the King and we thought it was some holy book produced outside the country.

The CPO at this stage was hardput to handle the work of the ministries; it would have found it extremely difficult to deal with district planning efforts as well. In addition, given the actions of Lesotho's politicians, the planners had good reason to be skeptical about district planning and development whatever the reason, they chose to ignore the districts and their problems. They pointed out that the District Development Committees lacked the capacity to put planning materials together into documents adaptable to the requirements of development projects. The planners, it seemed, had neither the time nor the inclination to help. Minutes of District Development Committee meetings--a fairly simple method of discovering the problems of the districts--were sent regularly to the CPO but received scanty attention. "[We] think these are nothing. We just throw them away. No one reads it." Since district level institutions provide only a first step in the direction of full participative planning and decision-making, these comments on both sides--by the grassroots, down-to-earth, experienced district officers on one side and by the less experienced, office-bound, professionals on the other--indicate how little progress had been made toward decentralization in this period.

Taken together, all these conflicts, and the context in which they take place, point to a fundamental problem of bureaucracy. Once Hoyle noted, when he commented on the degree to which civil servants get immersed in the day-to-day problems of their work, that they become insulated from "the massive environmental changes which are affecting the whole fabric of life".²² Brecht wrote that a "departmental headquarters that contain a thousand employees needs no outside world to be busy: they can keep busy all alone in intra-agency quarrels".²³ Because of the way in which discussion was oriented, it would be wrong to conclude from the contents of this article alone that Lesotho's civil servants were more concerned with housekeeping issues than with the impact of their activities on the world outside. Yet it is clear that a substantial amount of time, energy and thought

were being devoted to creating and overcoming such inter-agency resistances and divisions as have been observed. Given Lesotho's economic predicament, such scarce resources as time, energy and thought of high level officials could usefully have been applied in other ways.

This article is harsh in that it has overlooked those officers who made an effort to work constructively with, and to understand the problems and goals of, their colleagues in other departments. There were some, but they were in minority. It also does not give enough credit to these civil servants for their frankness and readiness to discuss sometimes sensitive issues. It should also be re-emphasised that these early years were an unusually difficult and unsettled time for administrators and planners alike. Nevertheless it remains true to say that the sound of this civil service at that moment in its history was essentially acrimonious and bureaucratic.

The sound was to change in time. For one thing, development fads change and the new ones bring with them their own package of terms. For another, planning began to improve from about 1972-73 onwards: it became more efficiently administered (and all expressed great relief at this), donors became more interested in Lesotho, projects got under way, and the planners were taken more seriously by their colleagues. And the terminology of economics had to begin absorbing the new buzzwords of the coming computer age. 'Advisers' were to be replaced by 'consultants'; 'administration' by 'management', 'calculators' by 'computers', 'proposals' by 'systems', 'proformas' by 'printouts' and 'deadlines' by 'critical paths'.²⁴ But while the sound was going to undergo some changes, the reality of bureaucracy seemed destined not to.

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Federal-Financial Relations in India

Evolution of Provincial Finance

PHUL CHAND

FEDERALISM IN India has evolved out of unitarism, and the unitary arrangements of government emerged from a situation of British possessions in India being completely independent of each other and dealing directly with the mother government in great Britain.

To begin with, the Presidencies of Bengal, Bombay and Madras were independent of each other and each government was absolute within its limits. "But the need for a common policy in the face of foreign enemies was apparent; and when the disorder of the East India Company's finances and suspicions about the fortunes amassed by its servants in India drove Parliament to intervene, it was wisely decided to create one supreme government in the country".¹ The East India Company Act of 1773 (commonly known as the Regulating Act), gave Bengal a position of ascendancy over other presidencies and the title of Governor-General was conferred on the administrative head of that province. The East India Company Act of 1784 (commonly known as Pitt's Act) designated the Government of Bengal as the supreme government and the powers of the Governor-General and the Council were also enlarged to some extent and the Charter Act of 1793 further emphasised this "power of superintendence, direction and control".

However, in matters of internal administration, including finance, the three presidencies remained independent of one another.

CENTRALISED SYSTEM OF FINANCE (1833-71)

The Charter Act of 1833

The Charter Act of 1833 brought about the final stage in the process of centralisation by introducing a system of centralised administration and vesting the superintendence, direction and control of the whole civil and military government and revenues (except the taxes raised by the local bodies) in the Governor-General of India-in-Council.

The provinces became the collecting and spending agencies of the

Government of India and ceased to levy any new taxes or to collect the old ones in their own name. In the like manner, the services they administered became a charge of the Government of India, which distributed among the various provinces sums from the Consolidated Fund for maintenance of services. As a result, "the local governments, which practically carried on the whole administration of the country, were left with almost no powers of financial control over the affairs of the respective provinces and no financial responsibility. Everything was rigorously centralised in the supreme government, which took upon itself the entire distribution of the funds needed for the public service throughout India. It controlled the smallest details of every branch of the expenditure; its authority was required for the employment of every person paid with public money, however small his salary, and its sanction was necessary for the grant of funds even for purely local works of improvement, for every local road, and every building, however insignificant".²

It led to extravagance as the provincial governments, who were not responsible for raising their revenues or for regulating expenditure within their income, tried to get as much money as possible by maintaining the absolute necessity and urgency of their estimates. General Strachey then wrote, "distribution of the public income degenerated into something like a scramble, in which the most violent had the advantage, with very little attention to reason. As local economy brought no local advantage, the stimulus to avoid waste was reduced to a minimum, and as no local growth of the income led to local means of improvement, the interest in developing the public revenues was also brought down to the lowest level."³

Secondly, there was no alert system of audit and accounts and the budget grants were never carefully prepared or checked and "allotments were made by a sort of compromise under which the rival claims were adjusted, not so much by their intrinsic weight, as by the importunity of the applicants".⁴ Dr. Ambedkar, therefore, rightly observed, "so long as the Government of India remained without an appropriation budget and a titular authority in the matter of financial control, and the provinces, though by law the weakest of authorities in financial matters, were really the masters of the situation".⁵

Indeed, the system encouraged inefficiency and extravagance.

Indian Councils Act, 1861

As a result of the 1857 War of Independence, the direct administration of India was taken over by the Crown in 1858. However, the control of the Central Government over provincial financial matters was not modified by the Indian Councils Act and centralisation

remained the most conspicuous feature of Indian administration.

The finances of the Government of India were subjected to heavy strain during the period 1860 to 1870 and it became impossible to balance the annual budgets. The provincial governments, on the other hand, continued to increase their demands and it was realised that a policy of financial decentralisation was the only way out.

FINANCIAL DEVELOPMENTS DURING 1870-1920

Lord Mayo's Reforms

On December 14, 1870, Lord Mayo issued the historical Financial Resolution, which proposed to enlarge the responsibility and control of the provincial governments in respect of the details of their own expenditure. The charges under jails, registration, police, education, medical services, printing, roads and civil buildings were made over to the control of the provincial governments along-with the departmental receipts under these heads. To meet these charges, a sum of £ 4,688,711, which was less by £330,801 than the assignments made for the same services in 1870-71, was granted from the Imperial revenue to the provinces. The provincial governments were expected to find funds for development by re-distribution of expenditure on different departments and by local taxation or by economy in existing expenditure.

The scheme relieved the Imperial Government from the financial chaos caused by constant deficits and the provincial governments got interested in a judicious and economical management of their finances. During the period (1871-72 to 1876-77), the surpluses in the provincial budgets outnumbered the deficits both in frequency and magnitude. The Central Government directly gained an annual relief of £330,801, besides the indirect gain due to economical management of the services by the provincial governments.

The settlement of 1871 was based on the actual expenditure of the provinces for 1870-71, which, on account of past inequalities, was very unequally distributed. In the past, expenditure of different provinces was determined not by their resources or requirements but by the attention their governments succeeded in securing from the Central Government. The existing inequalities were further stereotyped by the 1871 settlement. Secondly, the services transferred to the provinces were relatively few, and further development of the system was urgently called for.

Lord Lytton's Reforms (1877-78 to 1881-82).

Lord Lytton took the next step in financial decentralisation in 1877. Fresh settlement made with the provincial governments assigned

to them financial control over services connected with general administration, land revenue, excise, stamps, and law and justice, and at the same time gave them the revenues raised from law and justice, excise, stamps, and some miscellaneous items. Any margin of deficit had to be met by an assignment to be determined after taking into account the normal yield of the assigned revenues and their normal rate of growth. Any increase in the revenue, as it stood at the time of assignment, was shared between the Central and the provincial governments--the former had also to bear a share of any decrease.⁶ Burma and Assam, however, were given a share of land revenue instead of fixed assignments. Madras preferred to continue the settlement of 1871.

Quinquennial Settlements (1882-1904)

Fresh settlements were made with all the provinces in 1882, in accordance with Government of India's Resolution dated September 30, 1881. Under the settlement, instead of giving to the provincial governments fixed grants of revenue, they were granted the entire yield of some of the sources of revenue and a share in certain Imperial sources of revenue. The receipts from customs, salt, opium, post office and telegraphs remained wholly Imperial. Receipts from excise, forests, licence (now income) tax, stamps and registration were divided equally between the Imperial and the provincial government; while the receipts classified under the head 'Provincial Rates' were made entirely provincial and local, and the receipts from law and justice, public works, and education were also provincialised. The bulk of the receipts from railways and irrigation remained Imperial. The division of expenditure liabilities followed, generally speaking, the incidence of the corresponding heads of receipts. But as the outlay devolving on the provincial governments was larger than the revenues assigned to them, the balance was made up by a percentage on the land revenue of each province, which was otherwise an Imperial receipt.

The settlements gave the provincial governments a direct interest not only in the provincial sources of revenue but also in the divided heads raised within their jurisdiction, and harmoniously united the financial interests of the Imperial and the provincial governments.

The 1882 settlements, being quinquennial, were revised in 1887, 1892 and 1897.

The resumption of provincial surpluses by the Government of India at the close of each quinquennial settlement interfered with the continuity of provincial finance and removed the inducements to the provincial governments to economise. Secondly, each revision caused much irritation and friction between the Central and provincial

governments. Finally, no attempt was made in these settlements to introduce any logical principle to bring the provincial expenditure on a common footing of equality.

In the words of Sir Alexander Mackenzie, then Lieutenant-Governor of Bengal, "The normal history of a provincial contract is this: two years of screwing and saying and postponement of work; two years of resumed energy on a normal scale, and one year of dissipation of balance in the fear that, if not spent, they will be annexed by the Supreme Government at the time of revision"⁷.

Quasi-Permanent Settlements (1904)

In 1904, the system of quasi-permanent settlements was initiated to give greater permanence to the settlements. Under these settlements, the revenues assigned to a provincial government were definitely fixed, and were not subject to alteration by the Government of India, save in the case of grave Imperial necessity or in the event of experience proving the assignment made to have been materially disproportionate to normal provincial requirements⁸.

Generally speaking, the Central Government received the whole of the revenue accruing from opium, salt, customs, mint, posts and telegraphs, railways and tributes from native states, while the provincial governments received the revenues from registration, police, education, medical service and courts and jails. The receipts from land-revenue, excise, stamps, income-tax, and forests were divided between the Imperial and provincial governments, generally in equal proportions. The bulk of the provincial revenues was derived from the divided heads.

The provinces were made responsible for the whole of the expenditure incurred within the province in connection with land revenue, registration, law and justice, police, jails, education, medical, stationery and printing, and provincial civil works. Charges relating to stamps, excise, income-tax and forests were equally divided, while the incidence of irrigation expenditure followed that of the receipts.

The expenditure of the provincial governments, however, exceeded the assigned revenues and the difference was made up by fixed assignments under the land-revenue head; initial lump sum grants for works of public utility, and special grants for the development of police reform, agriculture and education.

The settlements gave the provincial government a more independent position, and a more substantial and enduring interest in the management of their resources than before. They were relieved of the fear of the resumption of their surpluses by the Imperial Government and could count upon a reasonable continuity of financial policy.

The relations between the Imperial Government and the provincial governments became harmonious in the absence of controversies over the settlements.

Permanent Settlements (1912)

The Decentralisation Commission⁹, which reported in 1909, did not propose any radical change and the settlements were made permanent in 1912 with no material change so far as the principle of allocation was concerned, except a partial replacement of the fixed adjusting assignments by increased shares in the growing sources of revenue.

Firstly, the settlements were based on provincial needs rather than on provincial revenues and the Government of India retained strict control and supervision over the provincial expenditure. Next, as the Government of India took a share in the proceeds of the taxes, it had a strong motive for interfering in details of revenue administration. Lastly, the provinces were denied the power of borrowing from the open market. It was rather an anomalous position that while Port Trusts and Corporations could raise loans on their securities, the provincial governments, on account of the legal fiction that the revenues of India were 'one and indivisible', could not borrow on their own account. The practice was to reserve entry to the public loan market entirely for the Central Government and for the latter to lend money to the provincial governments when circumstances so required.

Thus, beginning with an extremely centralised system of finance, decentralisation was introduced in instalments to secure efficiency, economy and responsibility.

"The existing settlements", observed the authors of the Report on Constitutional Reforms, "are an undoubted advance upon the earlier centralised system, but they constitute no more than a half-way stage. If the popular principle is to have fair play at all in provincial governments, it is imperative that some means be found of securing to the provinces entirely separate revenue resources."¹⁰

THE MONTAGUE-CHELMSFORD REFORMS (1921-1937)

Limited Responsible Government

On August 20, 1917, Montague, Secretary of State for India, declared in the House of Commons that the policy of the government was "of increasing association of Indians in every branch of the administration and the gradual development of self-governing institutions."¹¹

Montague visited India in November 1917 to investigate into the administrative machinery of India and studied the whole subject in

intimate cooperation with Lord Chelmsford. The conclusions arrived at were embodied in the Report on Indian Constitutional Reforms and after an elaborate examination of the Report by the Joint Select Committee of the two Houses of Parliament, the Government of India Act, 1919 was passed.

The authors of the reforms observed that their "business is one of devolution, of drawing lines of demarcation, of cutting long-standing ties. The Government of India must give and the provinces must receive; for only so can the growing organism of self-government draw air into its lungs and live".¹²

Division of Subjects

The division of subjects between the Central and the provincial governments was carried out by the Devolution Rules,¹³ made under Section 45A of the Government of India Act, 1919. Subjects were classified into 'Central' and 'provincial'. Defence, foreign affairs, tariffs and customs, railways, posts and telegraphs, currency, income-tax, commerce and shipping, public debt, and civil and criminal law were the important Central subjects.

Provincial subjects were sub-divided into 'reserved' and 'transferred'. The reserved subjects included land-revenue, police, prisons, factory inspection, administration of justice, etc. Among the 'transferred subjects' were placed local-self government, education, public health, hospitals, sanitation, asylums, public works, agriculture, industrial development, etc.

The transferred subjects were placed under the charge of ministers chosen by the governor from among the elected members of the Provincial Legislative Council. In relation to these subjects, the governor was to be guided by the advice of his ministers, unless he saw sufficient cause to dissent from their opinion. In such a case, he could take action ignoring their advice.¹⁴ The reserved subjects were administered by the governor and his executive council.

Division of Finances

The fundamental principle of the reforms was to give to the provinces the largest measure of independence--legislative, administrative and financial. The existing system could not work well between a popular and an official government¹⁵ because, if provincial autonomy were to mean anything real, the provinces must not be dependent on the Indian Government for means of provincial development.¹⁶

To this end, the Joint Report suggested total separation of revenues, and abolition of the old system of 'divided heads'. The whole revenue of India was partitioned between the Central Government and the provinces. To the Central Government were allotted customs

duties, income-tax, salt and opium, commercial stamps, and contributions from railways, posts and telegraphs, while land-revenue, liquor excise, irrigation receipts, forests, judicial stamps and registration fees became provincial sources of revenue.

Provincial Contributions

As a result of this scheme of distribution, it was anticipated that there would be a large deficit¹⁷ in the budget of Government of India. In order to meet this deficit, the Joint Report suggested a system of contributions from each province, assessed on the basis of their normal surplus, i.e., the difference between the estimated gross revenue under the new scheme and the estimated normal expenditure. The provincial contributions and the net provincial surplus were calculated as shown in Table 1¹⁸.

Table 1 CALCULATION OF PROVINCIAL SURPLUS

Province	(In lakh of Rupees)				
	Gross Provin- cial Revenue	Gross Provin- cial Expen- diture	Gross Provin- cial Surplus	Contri- bution (87 per cent of col.4)	Net Provin- cial surplus
(1)	(2)	(3)	(4)	(5)	(6)
Madras	13.31	8.40	4.91	4.28	63
Bombay	10.01	9.00	1.01	88	13
Bengal	7.54	6.75	79	69	10
United Pro- vinces	11.22	7.47	3.75	3.27	48
Punjab	8.64	6.14	2.50	2.18	32
Burma	7.69	6.08	1.61	1.40	21
Bihar & Orissa	4.04	3.59	45	39	6
Central Provinces	4.12	3.71	41	36	5
Assam	1.71	1.50	21	18	3
Total	68.28	52.64	15.64	13.63	2.01

This proposal was severely criticised by several provincial governments. Its result would have been that the poorest as also the most economical province would have paid the most while the most extravagant province would have paid the least; equivalent to putting a premium on extravagance and inefficiency.

The Meston Award

In order to ease this difficult situation, a special committee was appointed with Lord Meston as chairman to enquire into the whole question of the financial relations between the Central Government and the provinces¹⁹. The committee recommended that general stamps should also be provincialised and they estimated a deficit of Rs. 9.83 lakh in the Central Budget for the year 1921-22.

The committee also recommended that the contributions should be assessed on the increased spending power of the provinces, i.e., the additional resources which a province would acquire on the separation of the sources of revenue. They observed that the normal revenue of the provinces was ascertainable with greater accuracy than normal expenditure. They claimed that the proposals had "the merit of proceeding on the lines of minimum disturbance of the financial position in each province", and "of inaugurating the new councils without the necessity to resort to fresh taxation"²⁰. The increase in revenue had come to the provinces "as a windfall, or as a by-product of a constitutional change". The provinces that gained most had naturally to meet the burden of the contributions, but this was to be temporary. The contributions recommended by the Meston Committee and adopted by Parliament were: Madras, Rs. 5.76 lakh; Bombay, Rs. 93 lakh; Bengal, Rs. 1.04 lakh; United Provinces, Rs. 3.97 lakh; Punjab, Rs. 2.89 lakh; Burma, Rs. 2.46 lakh; Bihar and Orissa, Rs. 51 lakh; Central Provinces, Rs. 52 lakh; and Assam, Rs. 42 lakh.²¹

The committee further sought to find an ideal basis of contributions to serve for future occasions in order "to do equity between the provinces" and felt that the "total contribution of each to the purse of the Government of India should be proportionate to its capacity to contribute."²² This was interpreted to mean "the taxable capacity, which is the sum of the incomes of its taxpayers, or the average income of its taxpayers multiplied by their number."²³

The committee, after a thorough inquiry into the economic position of the various provinces, recommended a fixed ratio of contributions, to be put into practice after an interval of time which would be sufficient to enable the provinces to adjust their budget to the new conditions. The initial, intermediate and ultimate ratio of contributions, as recommended by the committee, are given in Table 2²⁴.

Table 2 CONTRIBUTIONS RECOMMENDED BY THE COMMITTEE

(In per cent)

Province	1st year	2nd year	3rd year	4th year	5th year	6th year	7th year
Madras	35.5	32.5	29.5	26.5	23	20	17
Bombay	5.5	7	8	9.5	10.5	12	13
Bengal	6.5	8.5	10.5	12.5	15	17	19
United Provinces	24.5	23.5	22.5	21	20	19	18
Punjab	18	16.5	15	13.5	12	10.5	9
Burma	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Bihar & Orissa	Nil	1.5	3	5	7	8.5	10
Central Provinces	2	2.5	3	3.5	4	4.5	5
Assam	1.5	1.5	2	2	2	2	2.5
Total	100	100	100	100	100	100	100

It was also decided that the contribution should be abolished when the financial position of the Central Government improved.

The committee did not favour provincialisation of income-tax which was severely criticised by the public and the provincial governments. The Joint Select Committee of Parliament, in view of the loud protests of the provincial governments, made some changes by revising the Draft Rules made under the Government of India Act, 1919.²⁵ Devolution rule 15 provided, "whenever the assessed income of any year subsequent to the year 1920-21 exceeds in any governor's province or in the province of Burma the assessed income of the year 1920-21, there should be allotted to the local government of the province an amount calculated at the rate of three pies in each rupee of the amount of such excess."

The Act of 1919 also empowered provincial governments to borrow money either in India or abroad on the security of their revenues, subject, however, to the rules made in accordance with the provisions of Section 30, 1 (a) of the Act.

Finally, the annoying budget restrictions were also relaxed and henceforward, the provincial budget was framed by the Finance Department of each province.

Criticism of the Meston Award

The new allocation of resources was universally condemned by all the provinces. Bengal and Bombay argued that on account of their wealth, population, trade and industries, and the ports of Calcutta and Bombay, their contribution to the Central Government in the shape of income-tax and customs (apart from other items) far exceeded that of most other provinces. Bombay asserted that the only solution for the success of the reforms was to allow her half the share in the income-tax, including super-tax, collected in the presidency. Madras felt that she was contributing a larger share to the Imperial deficit than any other province. The United Provinces and Punjab claimed to be hard hit and unable to develop their potential industrial activities. Bihar (though making no contribution initially) and the Central Provinces made further claims on account of their backwardness. So did Assam. Lastly, Burma asked for larger revenues to develop her vast natural resources.

By the abolition of the provincial contributions in 1927, the grievances of the agricultural provinces were removed, but those of the industrial provinces (Bombay and Bengal) still remained.

The argument of Bombay and Bengal is indefensible in India. The customs revenue collected at the important ports of Calcutta and Bombay was a tax paid on imported goods by the consumers who were living in the remotest corners of the country and not merely in the provinces where the ports happen to be situated. Similarly, in the case of income-tax the place where the tax was collected was not necessarily the place where the income was earned.

It was complained that although provinces had rapidly expanding needs, the sources of revenue assigned to them were insufficient and showed no signs of adequate growth. Provincial taxes were paid chiefly by the agricultural classes, and it was not possible to add much to their burdens. Other provincial heads of revenue either required a large capital outlay for their development (e.g., forests) or on account of other reasons which were not capable of such expansion. Layton rightly concluded that there was no direction in which the provinces could look for a substantial or even a continuous increase in revenues, except under the heading of 'stamps'.²⁶ The provinces were though made responsible for the development of the 'nation-building' activities, yet the sources of revenue placed at their disposal were inelastic.²⁷

The Meston Award created inequalities of tax burdens between different classes of the community. The growth and development of education, hospitals and dispensaries, roads and industries, was financed by the provinces from the income litigation (stamps), excess consumption of liquor (excise) and land revenue. Consequently, the

burden of provincial taxation was borne by small cultivators and the labouring classes. The defect could have been remedied by the division of the proceeds of income-tax or excise duties between the Central and the provincial governments.

The Award tended to create a separation between the interests of the two categories of governments in India. Though the development of industries and mineral resources were provincial subjects, the benefits of industrial development (in the form of increased receipts from income-tax, excise duty, etc.), accrued to the Central Government. Consequently, it was not unnatural on the part of the provincial governments to refrain from incurring expenditure on development of industries.

The reforms paved the way for the growth of provincial autonomy in India. It demolished the groundwork of the highly centralised system of government and laid the foundations for a new edifice on the principles of progressive provincial autonomy. It made provinces "the centres of the development of social services; and it had also tended to transfer to the provincial executives the prime responsibility for the preservation of law and order".²⁸

PROVINCIAL AUTONOMY

"The provinces are the domain", wrote the authors of the Montford Report, "in which the earlier steps towards the progressive realisation of responsible government should be taken. Some measures of responsibility should be given at once, and our aim is to give complete responsibility as soon as conditions permit".²⁹ Under the Act of 1919, only the first steps towards provincial autonomy were taken, but much more was needed. The three Indian Round Table Conferences and the Joint Committee on Indian Constitutional Reforms (1933-34) resulted in the passing of the Government of India Act, 1935, which established autonomy in the provinces with effect from April 1, 1937.

The Act caused separation of Burma from India, creating new provinces of Sind and Orissa, and rendered these, as well as the North-West Frontier Province, as governors' provinces.

Division of Subjects

The Act classified subjects into: (i) Federal; (ii) Provincial; and (iii) Concurrent.³⁰ The Federal List included defence, foreign relations, naval, military and air force, railways, posts and telegraphs, currency and coinage, customs and export duties, etc. On the other hand, police, law and order, education, public health, land and forests, local government, etc., were assigned to the Provincial List. Lastly, subjects like employers' liability and workmen's com-

compensation, trade unions and welfare of labour factories, etc., were included in the Concurrent List. Regarding concurrent subjects, both the federal and provincial legislatures could make laws with respect to any of the matters in List III, with provision for resolving any possible conflict of laws.

The Act established a substantial measure of provincial autonomy by devolving authority in provincial matters on to the provincial governments which "meant greater freedom for the units and less interference from the irritating and vexatious treatment which had so far been meted by the Centre"³¹.

Division of Finance

The conception of provincial autonomy involved financial autonomy which meant that the resources placed at the disposal of the provinces should not only be adequate for the immediate task of government, but also be capable of expansion to meet the growing needs of the new popular governments. The Peel Committee of the Third Round Table Conference had itself observed, "the aims which we have kept in view may be summarised as follows: to provide that all provinces may start with a reasonable chance of balancing their budgets; to afford them the prospect of revenue sufficiently elastic for subsequent development; to assure the solvency of the Federation...."³²

Under the Act, the allocation of the sources of revenues was as given in the following paras.

Allocation of Sources of Revenues

Provincial

1. Taxes levied and collected by provinces: (i) Land revenue and irrigation; (ii) Excise duties on alcoholic liquors, opium, hemp, other narcotic drugs, medicinal and toilet preparations containing alcohol manufactured or produced in the province, and countervailing duties on similar articles manufactured or produced in other parts of India; (iii) Taxes on agricultural income; (iv) Taxes on lands and buildings; (v) Succession duties in respect of agricultural land; (vi) Taxes on mineral rights subject to any limitation imposed by a federal law relating to mineral development; (vii) Capitation taxes; (viii) Taxes on professions, trades, callings and employments; (ix) Taxes on animals and boats; (x) Taxes on sale of goods and advertisements; (xi) Cesses on entry of goods; (xii) Taxes on luxuries including entertainments, amusements, betting and gambling; (xiii) Stamp duties in respect of documents other than those assigned to the Federal Government for such taxation; (xiv) Taxes on goods or passengers carried on in inland waterways; (xv) Tools; and (xvi) Fees in

respect of provincial legislative list.

2. Taxes to be levied and collected by the Centre for the benefit of the provinces: (i) Duties in respect of succession to property other than agricultural lands; (ii) Stamps duties in respect of bills of exchange, cheques, promissory notes, bill of lading, letters of credit, policies of insurance, proxies and receipts; (iii) Terminal taxes on goods and passengers; and (iv) Taxes on railway fares and freights.

The justification for the method lay in the need for uniformity of rate and economy in administration in the case of these taxes.

3. Taxes divided between the Centre and the provinces and collected by the Centre: (i) Taxes on income other than agricultural income; (ii) Salt duties; (iii) Duties of excise on tobacco and other goods manufactured or produced in India except: (a) alcoholic liquors for human consumption; (b) opium, Indian hemp and other narcotic drugs, narcotics, and non-narcotic drugs; and (c) medicinal and toilet preparations containing alcohol, or any substance included in sub-paragraph (b) of this entry.

4. Export duties, (with special provisions for the Jute export duty, Section 140(2), Government of India Act, 1935).

Federal

1. Taxes Levied and Retained by the Federation: (i) Corporation Tax; (ii) Currency and coinage; (iii) Federal Railways; (iv) Posts and Telegraphs including telephones, wireless, broadcasting, and other forms of communication; (v) Import and export duties (with the exceptions named above); and (vi) Military receipts.

2. Centre's Share from the Proceeds of (3) above: The Act authorised the Central Government to make grants-in-aid to deficit provinces and to the provinces for specific purposes. The provinces could also make grants for federal purposes.

The provinces were given an almost unlimited right to raise loans in the open market; they were to keep their own banking account with the Reserve Bank of India, and were free to make their own audit and accounting arrangements as they chose.

Inauguration of Provincial Autonomy

In January 1936, Sir Otto Niemeyer was appointed³³ for making recommendations, after reviewing the budgetary position of the Central and the provincial governments, on the matters under Section 138(1) and (2)--allocation of taxes on income other than agricultural incomes; on matters under Section 140(2)--the assignment of the net proceeds on jute export duty; and on matters under Section 142 grants-in-aid to the revenues of the provinces under the

Government of India Act, 1936³⁴.

Sir Otto's aim was two-fold: (i) maintaining the financial stability and credit of the Centre, and (ii) starting the provinces on their autonomous careers on an 'even keel'.

After taking the financial difficulties into account, relief was found necessary for the following provinces to the extent stated: Bengal, Rs. 75 lakh; Bihar, Rs. 25 lakh; Central Provinces, Rs. 15 lakh; Assam, Rs. 45 lakh; the North-West Frontier Province, Rs. 110 lakh; Orissa, Rs. 50 lakh; Sind, Rs. 105 lakh; the United Provinces, Rs. 25 lakh (for 5 years) thus making a total of Rs. 4.5 crore.³⁵

Sir Otto recommended that assistance should be given to the provinces in the following three ways:

1. By increasing the percentage of the share payable under Section 140(2) of the Act to 62.5 on the estimated gross yield of the duty resulting in the following additions to the resources of the provinces³⁶: Bengal, Rs. 42 lakh; Bihar, Rs. 2.50 lakh, Assam, Rs. 2.25 lakh and Orissa over Rs. 0.25 lakh.
2. Cancellation of debt resulting in the net annual saving to the provinces as follows³⁷: Bengal, Rs. 33 lakh; Bihar, Rs. 22 lakh; Assam, Rs. 15.50 lakh; North-West Frontier province, Rs. 12 lakh; Orissa, Rs. 9.50 lakh and Central Provinces, Rs. 15 lakh.
3. Annual cash subventions to supplement the other two forms of aid³⁸: United Provinces, Rs. 25 lakh for a period of five years; Assam, Rs. 30 lakh (in addition to the grant for Assam Rifles); North-West Frontier Province, Rs. 100 lakh (subject to reconsideration at the end of 5 years); Orissa, Rs. 40 lakh (with Rs. 7 lakh additional in the first year, and Rs. 3 lakh additional in each of the next 4 years); and Sind, Rs. 105 lakh for 10 years with Rs. 5 lakh additional in the first year, then to be reduced by stages after 10 years.

Distribution of Income-tax

The Act provided for distribution of taxes on income (excluding corporation tax, tax on federal emoluments and receipts from centrally administered areas) between the Centre and the provinces. Sir Otto recommended that prescribed percentage of those taxes, that shall not form part of the revenues of the Federation [Section 138(1)], should be 50 per cent. He further recommended that during the initial prescribed period of five years, the Centre was to retain the whole or part of the share of the provinces as was necessary to bring the proceeds of the share accruing to the Centre and the Railway contribution to Rs.13 crore.³⁹ After the period of five years, the retained

portion was to be reduced by one-sixth each year so that in the eleventh year of the autonomy the provinces would be entitled to the full share of income-tax.

The next point was to assign their shares to different units. Sir Otto felt, "substantial justice would be done by fixing the scale of distribution, partly on residence and partly on population, paying to neither factor a rigidly pedantic deference".⁴⁰

On this basis, he recommended the percentage scale mentioned below: Madras, 15; Bombay, 20; Bengal, 20; United Provinces, 15; Punjab, 8; Bihar, 10; Central Provinces, 5; Assam, 2; North-West Frontier Province, 1; Sind 2; and Orissa, 2.

Criticisms

The recommendations made by Sir Otto were criticised by the provincial governments for different reasons.⁴¹

The Madras Government contended that their comparatively sound financial position was due, not to intrinsic superiority of natural resources of the presidency, but to prudent financial administration and adequate taxation. They pointed out that Bombay, with a population of 18 million, benefits disproportionately by allocation of 20 per cent of proceeds of income-tax, while Madras, with a population of 44 million, has an allocation of 15 per cent only. The Bombay Government complained that no steps were proposed to correct the position in which the Presidency had been placed by the inherent unsoundness of the Meston Award, including the falsification of the forecast of revenue made by the Meston Committee, the complete failure of the anticipations of the Percy Committee, and the cost of development schemes in Bombay City undertaken at the behest of the Secretary of State.

Bengal was not satisfied with the proposals and claimed that the entire proceeds of the jute export duty should be credited to the provincial government.

The United Provinces had a stronger case, and pointed out the peculiar position of the province on account of agrarian difficulties. The Punjab Government contended that the comparative stability of its revenues during the past three years was attributable to four main causes: (i) a high standard of taxation; (ii) drastic retrenchment; (iii) the strictest control over expenditure; and (iv) favourable harvests.

In conclusion, it must be admitted that Sir Otto's task was of extreme delicacy and infinite difficulty, and he discharged it in a manner which must be deemed by all to be on the whole satisfactory. The scheme attempted by him was businesslike, utilitarian and practicable.

FEDERAL FINANCIAL INTEGRATION OF THE PRINCELY STATES

General Survey

The princely states accounted for 48 per cent of the total area and 28 per cent of the population of the Indian Dominion at the time of Independence.

These states, numbering 555, were scattered all over the country and, in the words of Sir Bampfye Fuller, were like "an ancient tessellated pavement, the greater part of which has been replaced by slabs of uncoloured stone work. The tesserae represent the native states"⁴². The states were at various stages of economic, political and administrative developments.

Relations with the Paramount Powers

The 'paramountcy' of the British Crown was based on Treaties, Engagements, and Sanads as supplemented by usage and sufferance and by decisions of the Secretary of State embodied in political practice. They had no international life and, even in internal affairs, the authority of the Paramount Power could be interposed, in matters like prevention of dismemberment of a state, suppression of a rebellion against the lawful sovereign, prevention of gross misrule, and economic growth of the whole of India.

Economic and Fiscal Relations

The exercise of paramountcy enabled the Government of India to achieve concerted actions in matters of common concern, such as currency, customs, excise, posts and telegraphs, railways, public works, cantonments and irrigation. The Government of India had the monopoly of opium and salt and most of the states had adopted British Indian currency. Agreements and codes were modified from time to time to suit the changed circumstances and economic bonds between the princely states and British India continued to be strengthened. But the states remained independent in many respects and had to be brought in the national mainstream as parts of a united India.

1935 Federal Plan and Indian Independence Act

The Government of India Act, 1935 attempted to provide for a constitutional relationship between the princely states and the Government of India on a federal basis. It never came into operation due to the attitude of the rulers as the accession of the states to the Federation was to be voluntary and the establishment of the contemplated Federation was conditional on the accession of states entitled to fill not less than 52 seats in the Council of States and having an aggregate population of not less than one half of the total

population of the states.

The Cabinet Mission, consisting of Lord Pathick-Lawrance, Sir Stafford Cripps and Mr. A.V. Alexander also affirmed the right of the states in this matter.⁴³

Under Section 7 of the Indian Independence Act, 1947 the "suzerainty of His Majesty over Indian States" lapsed. With this also lapsed the entire code referred to above except for "provisions of any...agreement which relate to customs, transit and communications, posts and telegraphs or other like matters", until they were denounced by the Ruler or the Dominion. This created a void and some of the rulers indicated their desire to assert their technical right to independence; and with the dawn of independence even the political unit of truncated India was threatened.

Political Unification

The unity of India, including the princely states, was most essential. Coupland rightly came to the following conclusion: "An India deprived of the States would have lost all coherence. For they form a great cruciform barrier separating all four quarters of the country....The strategic and economic implications are obvious enough. The practicability of Pakistan must be admitted, but the more the separation of this state from British India is considered, the more impracticable it seems; India would live if its Moslem limbs in the North-West and North-East were amputated, but could it live without its heart"?⁴⁴

Negotiations were concluded with the princes, barring Hyderabad, Kashmir and Junagarh, and the states in the geographical limits of India signed the Instruments of Accession in July 1947 whereby they acceded to the Dominion of India with respect to Defence, External Affairs and Communications, with effect from August 15, 1947. Later Hyderabad, Kashmir and Junagarh also joined the Indian Dominion. Sikkim became a state of the Union of India in 1975.

Simultaneously, the demand for responsible government by the people of the states was getting irresistible. "Hopes and aspirations", observed the Montagues Chelmsford Report, "may overlap frontier lines like sparks across a street".⁴⁵ And this is what happened in the princely states after Independence. A solution was urgently needed. In these circumstances, the late Sardar Patel proceeded in securing a three-fold integration of the states to bring them into integral relationship with the Union of India.

A total of 216 states, covering an area of 108,739 square miles with population of 19.158 million, were merged in provinces. Sixtyone states, covering an area of 63,704 square miles with a population of 6.925 million, were taken over as centrally administered areas; and

275 states covering an area of 215,450 square miles with a population of 34.7 million, were integrated in the Union of States. Hyderabad, Mysore, and Jammu & Kashmir retained their individual identity.

Under the Constitution, which came into force on January 26, 1950, the component parts of India were divided into four categories. Part A states consisted of the former British Indian provinces, with their territories enlarged by the merger of many states. The states of Mysore, Hyderabad, and Jammu & Kashmir and the five Unions of Madhya Bharat, Patiala and East Punjab States Union (Pepsu for short), Rajasthan, Saurashtra and TravancoreCochin were placed in the second category of Part B states. The old Chief Commissioners' provinces of Ajmer, Coorg and Delhi and the new ones of Bhopal, Bilaspur, Himachal Pradesh, Kutch, Manipur, Tripura and Vindhya Pradesh formed the third category of Part C states. The Andaman and Nicobar Islands, not treated as a 'State' formed Part D territory.⁴⁶

Thus, the political unification of India was achieved through a bloodless⁴⁷ revolution, which was brought, on the one hand, by the operation of the democratic forces unleashed by freedom, and, on the other, by the patriotic attitude of the Rulers who were quick to appreciate the change.⁴⁸ Prime Minister Nehru acclaimed the integration as one of the dominant phases of India's history⁴⁹.

Financial Integration

The need for federal financial integration of the princely states was always there as its absence hindered the country's economic progress. Even the Joint Parliamentary Committee on Indian Constitutional Reforms (1933-34) had indicated the dangers inherent in an uncoordinated fiscal administration in India and observed:

The existing arrangements under which economic policies, vitally affecting the interests of India as a whole, have to be formulated and carried out are being daily put to an ever increasing strain, as the economic life of India develops⁵⁰.

Krishnamachari Committee

To consider the problems of financial integration, a committee was appointed by the Government of India in October 1948 under the chairmanship of Sir V.T. Krishnamachari. Under the 'Objectives' Resolution of the Constituent Assembly, the provinces and the princely states would be equal partners in the Union of India. In matters of federal financial relations, the princely states were to be on the same footing as the former British Indian Princes⁵¹.

The committee recommended:

- (a) The Central Government should take over all 'Central' revenues and services together with the administration of the departments concerned.
- (b) Income-tax should be introduced in all the states, at rates adjusted to local conditions, and that it should be brought up to the full Indian level within a period of two to six years.
- (c) Internal customs duties levied in Hyderabad, Rajasthan, Madhya Bharat, Saurashtra, Vindhya Pradesh and Travancore should be abolished within five years. No compensation should be paid in any case.
- (d) The committee viewed that complete 'federal integration' means a 'functional' bifurcation, the 'federal' portions of the state governments were to become integrated with the Union Government, leaving behind the 'provincial' governments with purely 'provincial' functions. There can, therefore, be no question of compensation for taking over of federal revenues and services except tapering 'revenue-gap grants' in some cases.
- (e) It was recommended that the assets and liabilities should be divided on a functional basis. The Union Government took over the assets relating to federal functions without any compensation and it agreed to share in the liabilities of the states in the same proportion which the federal assets bore to the assets left over with the states.
- (f) As regards the privy purses of the Rulers, the committee felt that this subject was outside its terms of reference. It was, however, decided that no recovery for privy purses would be made from those states which had revenue-gaps. The other states, for a period of ten years, had to make a contribution to meet the privy purse payments of the rulers to the extent of their above mentioned 'gain'.

The integration agreements were executed in February-March 1950 and the financial integration was effected from April 1, 1950, except in the cases of the Pepsu (which was integrated on April 13, 1950, the beginning of its new financial year) and Jammu & Kashmir on May 14, 1954.

Gadgil Committee

In 1953, an enquiry was conducted under the chairmanship of Shri N.V. Gadgil, MP, to recommend special financial and technical assis-

tance to Saurashtra, Rajasthan, Madhya Bharat and Pepsu. The committee's main recommendations⁵² accepted by the Government of India, were:

- (i) An outright grant of Rs.4 crore (Rajasthan Rs.150 lakh, Madhya Bharat and Saurashtra each Rs. 100 lakh and Pepsu Rs. 50 lakh) for the Five Year Plans of these states.
- (ii) An additional ad hoc grant of Rs. 4 crore (Rajasthan Rs. 150 lakh, Madhya Bharat Rs. 100 lakh, Saurashtra Rs. 90 lakh and Pepsu Rs. 60 lakh) during the next two years to be spent on administrative buildings and for the provision of link roads, public health service in rural areas, etc.

The princely state derived many advantages from the integration. In the words of the Krishnamachari Committee:

Firstly, their people and governments will take their place in the polity of India alongside the people and governments in the rest of India and share in its wider life with equal rights and obligations. Secondly, administrative standards and efficiency will increase by closer contacts with the administration of the Central Government and especially by the uniform accounting and audit system which will result from the supervision of the Auditor-General of India, recruitment to the higher services on an all-India basis, a unified judicial system and access to technical advice and assistance furnished by the Central Government. Thirdly, states will have their share of such federal revenues as may be made divisible from time to time and of the grants, loans and other forms of financial assistance given by the Centre, on the same basis as provinces; an impetus will thus be given to development programmes in these areas.⁵³

The distinction between 'the British India' and 'the Indian India' was gone with the completion of the process of integration. India emerged "as a well-knit unit, fully integrated in all spheres--political, constitutional and economic. Its essential fundamental unity will be reinforced."⁵⁴

Distribution of Legislative Powers in the Indian Constitution

The Constitution attempts to evolve a rational and practicable division of functions between the Union and the state. Subjects of legislation have been arranged under three separate lists in the Seventh Schedule to the Constitution. List I, known as the Union List, covers subjects that will come within the exclusive power of

the Union Parliament. List II, called the State List, covers subjects that will come within the exclusive competence of the state legislatures and List III, called the Concurrent List, includes items in respect of which both the Union and the state legislatures will have concurrent powers of legislation; a Union law, however, will override a state law in the event of a conflict.

The Union List includes subjects, such as defence, foreign affairs, citizenship, railways, airways, aircraft and air navigation, posts and telegraphs, telephones, wireless and broadcasting, currency, coinage and legal tenders, banking, foreign and inter-state trade and commerce, industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest, census, taxes on income other than agricultural income, customs and export duties, corporation tax, taxes on the capital value of assets, exclusive of agricultural land, of individuals and companies, and taxes on the capital of companies.

The State List includes subjects like public order, police, administration of justice, public health and sanitation, hospitals and dispensaries, education, agricultural land and land revenues, forests, water-storage, and water-power, and taxes on agricultural income.

In the Concurrent List are included subjects like criminal law and criminal procedure, bankruptcy and insolvency, civil procedure, economic and social planning, trade unions and industrial and labour disputes, price control, labour welfare, marriage and divorce, and commercial and industrial monopolies, and combines and trusts.

The Union Parliament has been given the residuary power to make laws with respect to any matter, including taxation, not enumerated in the Concurrent or State List (Article 248). Article 249 provides that the Council of States may, by resolution supported by not less than two-thirds of the members present and voting, authorise Parliament, if necessary in the national interest, to make laws with respect to any matter enumerated in the State List.

Moreover, every state has to use its executive power in such a way as to ensure compliance with the laws made by Parliament and any existent law which apply in that state (Article 256) and also as not to impede or prejudice the exercise of the executive power of the Union (Article 267). The Union may give appropriate directions to states according to Articles 256 and 257, without prejudice, however, to their constitutional autonomy. Article 258 empowers the Union to entrust functions to the state in certain cases and Article 258A, introduced by the Constitution (Seventh Amendment) Act 1956, provides for the reciprocal power of the states to entrust certain functions to the Union.

It has been argued that there is over-centralisation under the Indian Constitution which is not desirable in a vast country like India. But the states in India have control over many important subjects like law and order, education, and agriculture, and thus the criticism does not hold good.

Centralisation is the unmistakable tendency of our times the world over. According to Justice Douglas, "Increased complexities of American life, the growth of industrialism, the disappearance of the frontier, the increase in population, the growing dependence of one part of the nation on the others--these were all powerful pressures creating the need and demand for federal regulation in fields where previously only the state had legislated".⁵⁵ Even Prof. Wheare realises this and puts these factors as "power politics, depression politics, welfare politics and the internal combustion engine."⁵⁶

The powers enjoyed by the Centre are justified. These were the legacy of the Government of India Act, 1935, and effect of Partition. In the words of the Union Powers Committee of the Constituent Assembly, "Now that partition is a settled fact, we are unanimously of the view that it would be injurious to the interests of the country to provide for a weak central authority which would be incapable of ensuring peace, of coordinating vital matters of common concern and of speaking effectively for the whole country in the international sphere....We have accordingly come to the conclusion...that the soundest framework for our Constitution is a federation, with a strong centre."⁵⁷ Centrifugal forces were trying to disrupt the national life at the time and it was necessary to have a strong Centre to hold the country together.

The Constitution provides for a welfare state and wide Central powers are not only inevitable, but very necessary. In the words of the States Reorganisation Commission, "India's development plans may increasingly take the shape of a centrally-directed effort to locate and implement projects....If the maximum advantage is to be deprived from any such development plan or plans, the central planning authority must operate under minimum restrictions in its choice of methods and investments, and parochial tendencies within the Union should be discouraged."⁵⁸

In the older federations (USA, Canada and Australia), the supremacy of the Central Government had to be established through constitutional amendments, judicial interpretations, grants-in-aid and mutual cooperation.

Since the Constitution was framed only a few years ago, wide Central powers could be provided for in the Constitution itself. The difference between India and some of the older federations lies in the fact that whereas in the latter "the assumption by national

executive of requisite powers to deal with abnormal situations has been and would always be an extra-constitutional growth, in India it is and will be a move within the framework of the fundamental laws."⁵⁹ Dr. Ambedkar rightly observed, "it is difficult to prevent the Centre from becoming strong. Conditions in modern world are such that centralisation of powers is inevitable. One has only to consider the growth of the Federal Government in USA, which, notwithstanding the very limited powers given to it by the Constitution, has outgrown its former self and has overshadowed and eclipsed the state governments. This is due to modern conditions. The same conditions are sure to operate on the Government of India and nothing that one can do will help to prevent it from being strong. On the other hand, we must resist the tendency to make it stronger. It cannot chew more than it can digest. Its strength must be commensurate with its weight. It would be a folly to make it so strong that it may fall by its own weight."⁶⁰

DIVISION OF RESOURCES

Revenue Allocation Between Union and States in India

The Constitution of India makes a complete bifurcation of taxes to be levied by the Centre and the states and there is a detailed enumeration of taxes allotted to each. The Union, in addition, has been given the residuary powers in matters of taxation (Article 248).

The actual distribution of the sources of revenue is given in following paras.

Revenues of the Union

1. **Tax-Revenue:** (i) Share of taxes levied and collected by the Union but distributed between the Union and the states, taxes on income other than agricultural income; (ii) Taxes levied and collected by the Union but may be distributed between the Union and the states: Union duties of excise (other than on medicinal and toilet preparations containing alcohol); and (iii) Taxes belonging wholly to the Union; (a) duties of custom including export duties, (b) corporation tax, (c) taxes on the capital value of the assets, exclusive of agricultural land, of individuals and companies, (d) surcharge on taxes mentioned in (i) above and (ii) in the state 'tax-revenue', and (e) any tax not specified in Lists II and III (residuary taxation).
2. **Commercial Operations:** (i) railways; (ii) posts and telegraphs; (iii) banking; (iv) manufacture of salt and opium, and (v) other commercial operations, e.g., lotteries organised by the Government of India.
3. **Fees:** (i) fees in respect of any matter in List I, excluding

fees taken in any court, and (ii) fees taken in the Supreme Court.

4. **Sovereign Functions and Rights:** (i) currency and coinage, (ii) revenue from Union property, and (iii) property accruing by escheat or lapse or as *bona vacantia*.

Revenues of the States:

1. **Tax-revenue:** (i) Levied by the Union but collected and appropriated by the states; (a) stamp duties on bills of exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts; and (b) excise duties on toilet and medicinal preparations (containing alcohol). (ii) Levied and collected by the Union but assigned wholly to the states within which levied: (a) succession and estate duties in respect of property other than agricultural land; (b) terminal taxes on goods or passengers carried by railway, sea or air; (c) taxes on railway fares and freights; (d) taxes on transactions in stock-exchanges and future markets; (e) taxes on the sale or purchase of and advertisements in newspapers; and (f) taxes on the sale or purchase of goods other than newspapers, where such sale or purchase takes place in the course of inter-state trade or commerce. (iii) Levied and collected by the Union but assigned in part to states: taxes on income other than agricultural income. (iv) Levied and collected by the Union but may be assigned in part to the states: Union duties of excise other than on medicinal and toilet preparations containing alcohol. (v) Directly raised by the states: (a) Land revenues; (b) taxes on agricultural income; (c) succession and estate duty on agricultural land; (d) taxes on land and buildings; (e) taxes on mineral rights; (f) octroi; (g) taxes on sale or purchase of goods other than newspapers (but not in case where sale or purchase takes place in course of inter-state trade or commerce); (h) taxes on advertisements other than those published in the newspapers; (i) taxes on consumption or sale of electricity; (j) taxes on goods and passengers carried by road or inland waterways; (k) taxes on vehicles; (l) taxes on animals and boats; (m) tolls; (n) taxes on professions, trades, etc.; (o) capitation taxes; (p) taxes on luxuries, entertainments, etc.; (q) duties of excise on alcoholic liquors, etc. and (r) non-judicial stamps other than those included under head (1) (a) above..

2. **Fees:** (i) Fees taken in courts other than the Supreme Court, and (ii) fees in respect of any matter in List II.

3. **Commercial operations, e.g., fisheries, transport, etc.**

4. **Sovereign Rights and Functions:** (i) Revenues from works, land and buildings vested in the state; (ii) forests; (iii) escheat, or lapse or *bona vacantia*, and (iv) ponds.

5. Grants-in-aid from the Union: In the Constitution, an attempt was made to distribute the sources of revenue according to the principle of efficiency and suitability. There is no overlapping of tax-jurisdictions and, in general, the taxes with an inter-state base have been allotted to the Centre, while those with a local base have been allotted to the states. It, thus, minimises double or multiple taxation and "the Indian problem in this direction is much less pressing than in many, perhaps most, federations."⁶¹

Financial Adjustment under the Constitution

The allocation of resources under the Constitution fails on the principle of adequacy due to the following reasons: Firstly, as the allocation has been made generally on the principle of efficiency, most of the productive and elastic sources--income-tax, customs, excise duties, etc.--have been allotted to the Union. Secondly, the yield of the important sources of state revenue, such as land revenue, varies from state to state. Thirdly, the functions of the state and expenditures to give effect to constitutional provisions of "Justice--Social, Economic and Political".⁶² Fourthly, the states find it difficult, on account of political reasons and poverty of their people, to raise the rate of existing taxes (like land revenue), or to introduce new taxes. Finally, on account of natural, economic and population considerations, the needs of various states are different. Hence the need for transfer of resources from the Centre to the states.

In India, in contrast to other federations, the Constitution contains detailed arrangements for financial adjustment between the Union and the states. Two types of balancing factors have been provided. Firstly, it provides for the sharing of certain taxes, levied and collected by the Union, with the states. Article 270, contains a mandatory provision requiring the Union, before paying the net proceeds of the tax into the Consolidated Fund of India, to assign a percentage of "taxes on income other than agriculture income" to the states. Proceeds representing proceeds attributable to Union territories or to taxes payable in respect of Union employments are excluded from this requirement, and so, too, is corporation tax. Article 272 permits the Union, if Parliament by law so provides, to transfer to the state the whole or any part of the net proceeds of any Union excise duty. The fact that the actual portion of income-tax and excise duties to be paid to the states is left to be determined according to the degree of adjustment found necessary clearly indicates that the purpose here is financial adjustment, not administra-

tive convenience.⁶³

Secondly, the Constitution provides for certain types of grants-in-aid to be made by the Union to the states. Article 273 provided for grants-in-aid in lieu of export duty on jute and jute products to the jute-growing states of Assam, Bihar, Orissa and West Bengal for a period of ten years. Under Article 275, grants may be made to the states "in need of assistance, and different sums may be fixed for different state". However, grants-in-aid must be made to Assam for administration and development of tribal areas in that state and to other state for approved development schemes in respect of their scheduled tribes or areas.⁶⁴ Article 278⁶⁵ contained a transitional provision authorising the Union Government to give special grants to any former Part B State (former princely states or union of such states), if necessary to do so as a result of the federal financial integration of those states. Under Article 282, the Union may make any grants for any public purpose, notwithstanding that the purpose is not one with respect to which the Parliament may make laws. A state may also make any grant for any public purpose in similar way under the Article.

The Union Government, under the Constitution, can adopt a scheme of grants which will enable it to cope with any circumstances at any time and follow the principle of federal finance for India as a whole.

The Finance Commission

The Constitution entrusts the determination of actual tax shares and grants-in-aid to a Finance Commission, consisting of a Chairman and four members, to be appointed by the President within two years from the commencement of the Constitution and thereafter at the expiry of every fifth year, or earlier, if necessary.

The Commission's duty is to make recommendations to the President as to: (a) the distribution between the Union and the state of the net proceeds of taxes which are to be, or may be, divided between them...and the allocation between the states of the respective shares of such proceeds; (b) the principles which should govern the grants-in-aid of the revenues of the state out of the Consolidated Fund of India; and (c) any other matter referred to the Commission by the President in the interests of sound finance.⁶⁶

The Constitution, by leaving the specific amounts and the allocations of tax-shares and grants-in-aid to be determined on non-political basis, has achieved success in placing federal-state financial relations in India in a comparatively happy position.

Public Borrowings

Under Article 292 of the Constitution, the Union Government may borrow upon the security of the Consolidated Fund of India and give guarantee within limits fixed by Parliament. Article 293 authorises a state to borrow within India (but not abroad) upon the security of the Consolidated Fund of the state and give guarantees within limits fixed by the state legislature. However, a state cannot borrow without the consent of the Union Government if it owes a debt to that Government or there is an outstanding loan for which the Union Government has given a guarantee. Under Article 293, the Union Government may itself offer a loan to a state or give guarantee for state loans.

Apart from constitutional restrictions, the Reserve Bank of India exercises important control over the credit operation of the states. It coordinates the loan operation of the Union and state governments and thus prevents competition between them in borrowing. It is the agent for the borrowing and debt operations of the states as well as the Union Government. It tries to achieve a concerted loan policy for the whole federation.

CONCLUSION

Our study reveals that the history of federal financial relations in India is in a sense the history of constitutional developments in the country and the people's struggle for independence and national integration. Beginning with a highly centralised system of finance designed to serve a colonial power, under the Constitution we have been able to evolve a rational distribution of powers and resources between the Union and the states. It scores over most of other federations and the only complaint is, what we hear from the state, the inadequacy of resources to meet fully their responsibilities. But provisions have been made in the Constitution itself to take care of this too.

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Role of Grants-in-Aid in Indian Federation/

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CENTRAL GRANTS have been used as one of the most important devices of fiscal adjustment in India since the advent of planned economic development. It has also been recognised that grants can be used as an effective instrument to bring about equalisation of revenues and levels of essential services. The successive Finance Commissions, Planning Commission and the Central Government have been awarding grants to states and Union Territories for both developmental and non-developmental purposes. These grants are given for purposes, like general services, social services, agriculture, industry, transport and communications and for other economic services. Out of the total grants, 38.31 per cent has been utilised for capital formation in the year 1981-82. Only 18.56 per cent has been spent for non-developmental purposes. The total amount of grants-in-aid from the Centre to the states has increased from Rs. 222 crore in 1960-61 to Rs. 2726 crore by 1981-82.

The total Central grants given to states amounted to 30.41 per cent in the total tax revenue of the Central Government during 1960-61. Though they declined to 23.56 per cent by 1981-82, there has been a substantial increase in absolute terms. The share of Central grants in the total revenue was 25.31 per cent during the year 1960-61. This has declined to 17.51 per cent by the year 1981-82. Similarly, the share of grants in the total revenue expenditure was 26.88 per cent which has declined to 17.18 per cent by the year 1981-82. However, there has been substantial increase of grants-in-aid in absolute terms. This indicates the important role of grants-in-aid in the Central Government finances.

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INFLUENCE ON STATES' EXPENDITURE

It may be noted that grants-in-aid have an important bearing on the state government expenditures. They have been contributing to the states' expenditure on Revenue Account as much as tax shares. Grants-in-aid accounted for about 22.42 per cent of the states' revenue expenditure in the year 1960-61 and 23.53 per cent in 1978-79. The share has declined to 16 per cent in the year 1981-82 but their contribution in absolute terms has increased substantially. It is interesting to note that the share of grants-in-aid in the revenue expenditure of the states has been more than that of the tax-shares from the Centre during the years 1960-61, 1961-62, 1964-65 to 1967-68 and 1978-79. It follows that they have become one of the most important ingredients that influence state government expenditure programme.

Grants-in-aid influence the state government expenditure programmes in two ways. Firstly, when unconditional or general purpose grants are made to the states, states' total revenue increases to that extent. Consequently, states' expenditure will be affected. Secondly, when grants are given for specific programmes, the expenditure on these programmes gets affected. In both the cases, Central grants are likely to influence state expenditures. As one of the main objectives of grants-in-aid is to equalise the standards of essential social and administrative services, more grants are to be awarded to the relatively poorer states in order to enable them to provide the same quality and quantity of essential services as that of the advanced states. This can be done either by equalising the revenues of the states by giving unconditional grants or by equalising the levels of services by giving specific purpose grants for the essential services. When unconditional grants alone are given to states, it may help in achieving the objective of revenue equalisation. But the attainment of revenue equalisation through unconditional grants need not necessarily bring about a reduction in the inequalities of standards of essential public services. Because the expenditure on these services depends on certain other factors, such as the relative importance to these services accorded by the state and its preferences for other services and programmes, etc. However, it may be assumed that a rational grant policy aims at reducing the inequalities of the standards of essential public services in the federation.

GRANTS AND STATES' TAX EFFORT

Another important dimension of grant policy of the Centre is whether it is encouraging the states' own tax effort. The importance

of the relationship between grants from the Centre and the states' tax effort cannot be overemphasised. There is a two-way relationship between Central grants and states' tax effort. Firstly, the relative tax effort of the states in relation to their tax-potential should be taken into account while determining the eligibility for and the amount of grants to be awarded to a state. Resources are scarce in a developing country like India and hence, mobilisation of additional resources, in order to finance economic development, gains emphasis. Accordingly, the Centre should insist upon the states to tap their own resources sufficiently and efficiently before anticipating any grants from the Centre. Therefore, any scheme of grants-in-aid should give due allowance to the factor of relative tax effort of the states. Grants given without linking them to state tax effort are likely to impart fiscal imprudence and irresponsibility upon the states. The states may resort to extravagance when they get grants which are not related to tax effort. Therefore, it is necessary to take the factor of tax effort in relation to tax potential while determining the amount of grants.

The second and equally important relationship of grants with tax effort of states is that grants from the Centre may encourage or dampen tax effort of the states. Grants are likely to increase the tax effort when they are given for development finance. When the grant money is substituted by a state for its own revenues, grants may be said to dampen the tax effort of the state. Two reasons may be attributed to the grant substitution. One is that when a state is assured of getting an amount of money in the form of grant from the Centre, it may not put further effort to raise additional resources to the extent of the grant money. Secondly, the state may resort to tax-cuts after receiving grants from the Centre. In either case, grants do influence tax effort of states over a period of time. A rational system of grants may be considered as one that encourages the tax effort of the states over a period of time.

NEED FOR RATIONAL POLICY

Thus, there is a great need to arrive at a rational grant policy in order to achieve the twin objectives of equalisation of essential administrative services and encouraging the state tax effort. The Finance Commission and the Planning Commission should aim at achieving these objectives while determining the eligibility for and the amount of grants-in-aid to states. Only after that grants-in-aid will become an effective fiscal instrument for establishing smooth and stable Centre-State financial relations in the Indian Federation.

Evaluating Planning Machinery at Sub-National Levels : An Integrated Framework

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THERE ARE a number of considerations that go into the setting up of planning machinery at sub-national levels in India (i.e., state and sub-state levels). These relate to economic, political and administrative aspects within the existing constitutional frame. The article aims to present, in a nutshell, an integrated framework for evaluating the alternatives in terms of:

1. Factors that should determine setting up of planning machinery with special reference to sub-national level in India;
2. Composition and functioning of apex body at the state level;
3. Organisation of planning department at the state level;
4. Characteristics of the planning body at the sub-state level; and
5. Administrative machinery for planning at sub-state level.

The factors determining the planning machinery at state and sub-state levels can be summarised in terms of the following eleven rules governing setting up planning machinery:

1. The planning machinery should be in a position to provide necessary rationality or technical input to the process of decision-making on developmental issues in general and plan-investments in particular. This would mean creating institutional capabilities for analysing the socio-economic factors, identifying the objectives, indicating strategies and schemes through which the objectives can be achieved, ensuring the implementation of the schemes and having a constant feedback about the effectiveness so that planning capabilities are enhanced.
2. The planning machinery should also ensure interaction with political leadership since, in the ultimate analysis, the interventionist policies (duly influenced by rationality) are

- decided upon through political processes only. To put it differently, the political leadership has to indicate (formally or informally) value-judgements from time to time, and final approval to the Plan has to be accorded by political executive.
3. Close link between finance and planning departments is also essential both at the professional and at political level. Planning provides only a framework of needs and priorities but actual operationalisation of the plans will be attained essentially through budgetary mechanisms of the government.
 4. Planning, as a function will mean continuous interaction with various developmental agencies. The interaction may involve location of counterpart functionaries in other agencies. The interaction could additionally be with professional experts, such as specialists from autonomous research institutions or universities.
 5. Machinery for planning should ensure that expertise is identifiable within it to perform distinct functions within a time-frame, viz., perspective plans, medium-term plans, and annual plans. Similarly, distinct elements of activity could be visualised, viz., plan formulation, manpower planning, implementation, monitoring and review and (ex-post) evaluation. Implementation, however, has to be essentially through the departments or agencies concerned.
 6. Yet another factor relates to the fact that state is a unit in the Federal set-up of India. It would imply that the machinery should be in a position to interact appropriately with the national level body, viz., Planning Commission. It would also imply that the machinery in the state reflects the overall framework of planning process indicated by the Planning Commission and the framework of machinery that the Planning Commission itself encourages the states to adopt.
 7. The governmental set-up, viz., the existence of a cabinet, a legislature, secretariat, autonomous bodies and field level agencies, etc., will have to be taken into account.
 8. Existence of regional forces (such as Telangana, Rayalaseema and Coastal Andhra in Andhra Pradesh, Marathwada in Maharashtra, etc.) and the strength of these forces may not be ignored.
 9. Elected bodies created for sub-state levels, such as zilla parishads and municipalities, should also be recognised, and their role vis-a-vis planning machinery specified. Similarly, the emergence of semi-autonomous bodies like District Rural Development Agency, (DRDA) at the district level and local offices of autonomous public enterprises should be recognised.
 10. The emerging policy orientations in the substance of the plan

are also to be taken into account in understanding the planning machinery. For instance, the emphasis on 20-Point Programme declared by the Government of India and implemented in the state and important element of the ideology of the state (such as Pragathi Padham in Andhra Pradesh) will have to be reflected in the machinery.

11. Finally, and most importantly, the nature of planning machinery should take account of the extent of decision-making and implementing powers that are available to the level or institution with reference to which plan-function is performed.

APEX PLANNING BODY AT STATE LEVEL

In this background, the issues that arise in respect of composition of Apex Planning Body at the state level may be summarised as follows:

1. The Administrative Reforms Commission of India as well as Planning Commission have indicated that there should be apex body of planning at the state level in addition to Planning Department and somewhat similar to the Planning Commission in New Delhi. However, many states have not considered it necessary or useful to constitute such a body. In quite a few states, where it has been constituted, it is not very active. It is sometimes argued that the nature of plan activity at the state level does not warrant detailed economic analysis relating to allocative mechanisms of investments as of now. The real thrust, it is argued, has to be in terms of proper project preparation, improvements in technologies and appropriate framework for location. These are best undertaken as decentralised exercises within the implementing departments. In this light, it is argued that apex planning body serves no purpose. At best, the existence of an autonomous body could strengthen hands of planning department in providing technical and rational inputs to the process of decision-making at the state level.
2. If a separate body is created, the question would then arise as to whether it should be on a statutory basis or should it be similar to Planning Commission which has been created through an executive order. The statutory basis by itself does not confer any advantage in terms of effectiveness as evidenced by a comparison between zonal councils provided for in the Constitution and Planning Commission created by an executive order. A planning body is essentially an advisory body and the extent

of its importance would depend on the faith and trust which the political leadership puts in the planning process as well as in the apex planning body that is created.

3. The size of the body and the mix of official and non-official experts is also a matter requiring attention. It is generally agreed that the chief minister should be the chairman as planning is concerned with overall policies. Where there is a separate minister for planning, he is the chairman or deputy chairman (if chief minister were to be chairman) of the apex body. It is also common to advocate that there should be a deputy chairman, who should be the kingpin of the planning board. The Planning Commission has recommended a whole-time non-official to be the deputy chairman or the working chairman. It was also indicated that the deputy chairman should enjoy the rank of a Cabinet minister of the state. The Administrative Reforms Commission also favoured a similar set-up. In some states, they have a non-official, full-time deputy chairman sometimes from public life and mostly from political set-up (that is planning minister or equivalent). The problem really is one of getting the services of a professional person who could command the respect of functionaries, like the ministers and secretaries to government. In respect of membership also, there is a genuine problem of enlisting members who are distinguished enough to command the respect of the rest of the establishment on a full-time basis (perhaps this problem exists even at the Union level). If one were to depend on part-time members, the exposure of such members to the complexities of governmental set-up may be too limited. Hence they may be handicapped. Broadly speaking, apex body could theoretically consist of four categories of members, viz., non-official whole-timers, non-official part-timers, official whole-timers and official part-timers. In reality, most of the boards in the states have a mix of different types of members depending on local circumstances.
4. Yet another issue relates to the allocation of subjects to the members. Considering the nature of work, it is felt that the allocation of subjects to individual members would be useful but such allocation may be practical only if the members are available on a full-time basis.
5. The nature of relationship between the ministers and the board is also important. In any state government, the ministers do take active part in the details of administration. Hence, it may be necessary to take the ministers into confidence atleast whenever the relevant subjects are discussed in the apex plan-

ning body. The secretaries to government will, of course, have to assist the apex body.

6. Depending on the composition and functions, the frequency of meetings can be prescribed. It may also be necessary to have two types of meetings, viz., technical sessions and full-fledged sessions with the apex body (somewhat similar to the practice in the Planning Commission at New Delhi where the Commission meeting is distinct from full Commission meetings since in the latter the Prime Minister and the select ministerial colleagues participate).

Composition of Apex Body

In regard to the functioning of the apex body, there are a number of issues related to the composition, which are as follows:

1. The need for separate secretariat or exclusive technical support for the apex body should be considered. In the Planning Commission of India, the Commission's secretariat operates as a Ministry of Planning also. In most of the state governments, there is a Department of Planning as distinct from the apex body. Incidentally, it may be noted that planning, as a function, virtually started with the Constitution of the National Planning Commission while in many states the apex bodies like boards have been instituted well after the establishment of the planning department. In the Planning Commission, the staff is recruited by the Commission and the responsibility to build the organisation vests with the Commission. Such a system is seldom prevalent in respect of various state governments though there is nothing to prohibit creation of such a set-up.
2. It is also sometimes advocated that there should be a separate budget to be operated by the apex body not only to run its own affairs but also to be able to fund technical studies. The alternative is to provide necessary budgetary allocation to the planning department. In such a case, formal approval of the government is needed for the apex body to incur expenditure.
3. The nature of relationship between the board and other departments of the secretariat and the heads of departments has also to be considered. The Planning Commission interacts with the ministries directly since it functions as a Department of Planning in India. In most state governments, the apex body interacts with the secretariat departments essentially through planning department. Except for obtaining information, contact between the apex bodies and the heads of departments is generally minimum.

4. The related issue concerns the extent to which the apex body could go into substantive issues of allocation and selection of projects as against concentrating on analytical inputs and methodological issues. It has been noted by the Planning Commission that apex bodies in many states have confined their activity to one of merely considering the plan as formulated by the Department of Planning, which vets proposals of the developmental departments.
5. Yet another issue concerns the relationship of the apex body to the Planning Commission at the national level. The Planning Commission would invariably be discussing various elements of the plan with the state chief ministers or their planning departments. While there is nothing to bar a state level apex planning body to represent the views of the state government, no procedures have been evolved for holding technical sessions between the Union and the state level apex planning bodies in advance of discussions at the level of political executive.
6. The apex planning body at the state level should also determine the nature of its relationships with the planning agencies at the sub-state level mainly at the district level. No direct link seems to exist between the apex body at the state level and the planning departments at the district level. However, in some states, the machinery and methodologies of district planning are the subject matters of advice by the apex body.

ORGANISATION OF PLANNING DEPARTMENT AT STATE LEVEL

The planning function is generally performed at the state level by the planning department. In some cases, planning department is part of finance department. While number of other functions may be added, the core functions of the planning department relate to five-year plan, annual plans, monitoring and review, evaluation and sub-state planning. The department of economics and statistics is the only field agency to support planning department while in few cases, separate cadre in the planning department is maintained.

Issues Relating to Separate Planning Cadre

These are as follows:

1. On the question whether there should be a separate planning cadre in the Planning Department, dispersed over the state with districts and/or field agencies, the report of Planning Commission's Working Group on District Planning (1984) advocates a single planning cadre for the state encompassing block, dis-

- strict and state levels.
2. Similarly, a question might arise as to whether planning officers should be located in different departments. In view of the importance of project formulation and appraisal, there has been a demand that the project appraisal capabilities should be strengthened either by having a project appraisal division in the Planning Department or by having specialists in project appraisal in the individual secretariat departments or locating cells with the heads of departments.
 3. In regard to professionalism in the state planning department, there has been a demand to obtain outside expertise preferably by contracting experts on a tenure basis or employing them as part-time consultants. Neither approach has been found feasible in many states partly because people having technical qualifications and expertise are not willing to join the department and partly because supporting systems have been evolved outside the departments to provide professional expertise (such as various institutes of economics and social sciences funded by the state governments).
 4. In operational terms, formulation of Five Year Plan generally requires substantial technical input. The apex body, where exists, is able to contribute to this process. Outside expertise is utilised through mechanisms of working groups or assigning studies. However, in operational terms, it is the annual plan that is of significance. Most often, the annual plan exercise, though within the five year plan framework, is undertaken by the planning department. This exercise is essentially in terms of making sectoral allocations and obtaining schemes from different departments. The role of Planning Department in monitoring, particularly physical aspects, is generally emphasised. The Planning Department has still to depend basically on the progress reports from the heads of departments, both on financial and physical aspects. A multitude of returns and monitoring reports are sought by the ministries of Government of India by the Planning Department and even by agencies providing external assistance. Standard and uniform systems of generating and maintaining developmental statistics (i.e., hospitals, extension, etc.) are yet to be evolved (though we have such systems for national accounts). In respect of ex-post evaluation, there is a distinct preference for evaluation to be undertaken by an independent agency and definitely by an agency other than implementing agency. Occasionally, outside agencies are employed for making quick evaluation. In recent times, a number of Centrally-sponsored

schemes, such as IRDP, are insisting on building evaluation function into the programme itself. The role of Planning Department and its evaluation wing in the context of such emphasis on decentralised evaluation mechanisms has to be determined.

APEX PLANNING AT SUB-STATE LEVEL

The most common sub-state levels in India are the village, the block, the district and in some of the states a division (consisting of a group of districts). As far as village is concerned, while there has been emphasis from time to time on formulation and implementation of village plans; there has been no serious discussion on planning set-up at the village level. At the block level, interest was shown in the process of block level planning, particularly when Prof. Dantwala had gone into it in great detail in 1977 at the instance of Government of India. Maximum interest, however, is found in regard to the planning at district level. Planning at the divisional level is advocated in respect of some of the larger states and, in any case, is not considered relevant to most states. In this background, the following discussion on the apex body concentrates on the divisional and districts levels.

The Economic Advisory Council to the Prime Minister in its report on Decentralisation of Development Planning (1984) (henceforth called Council Report) advocates a level similar to the division, viz., a level involving cluster of say four districts on an average. In this connection, the Council Report has stressed some danger in placing district at the apex of decentralised planning on the ground that district could be too small a unit for planning to have some of the infrastructural facilities required for decentralised development. In this connection, the Economic Council's Report advocates elaborate apex machinery called 'Policy Planning Council' consisting of some representatives from the state cabinet, state legislature concerned zilla parishads and the panchayat samithis. The Council Report advocates direct assignment of funds to the divisional development authorities. Planning set-up at the divisional level was, however, disfavoured by the Report of the Working Group on District Planning (1984) of the Planning Commission (henceforth called Working Group). The Report recalls the experience of Maharashtra also. The major argument is that an intermediate tier at the divisional level would only delay the matters. In this background, it may be enough to pose issues relating to apex body at the district level on the assumption that an intermediate tier at the divisional level is not warranted.

In examining the apex planning body at the district level, it is

necessary to recognise certain important relevant features.

Firstly, there is no constitutional provision in order to ensure uniformity in the political as well as administrative set-up at the district level. It should be readily conceded that there are a large number of common factors in terms of administrative machinery among the districts.

Secondly, the nature of political bodies that are created (that is local self-government) are changed from time to time even in the same state.

Thirdly, there are a number of autonomous bodies involved in the planning and developmental activities at the district level. While zilla parishads (where they exist in some form or the other) represent the locally elected political body, a number of other district level agencies, such as DRDA/DPAP/ITDA (i.e., District Rural Development Agency, Drought Prone Areas Programme, Integrated Tribal Development Agency) have been created. The apex planning body should be able to deal with all these autonomous agencies without any co-ordinating centralised power-source (such as a Cabinet in the state or the centre).

Fourthly, unlike Union Government or the state, where the planning function has developed as part of the governmental system, there is no such compulsion so far at the district level in as much as there is no district government in the real sense of the word.

In this background, some of the important issues that crop up in the constitution and working of apex planning body at the district level can be summarised as follows:

1. Whether a locally elected body, such as zilla parishad, should really be the political executive to determine the frame of the plan. Theoretically and on the analogy of the Centre and the states, this should be so. The working group concedes that ultimately district planning will have to be taken over by the panchayati raj institutions and other local Government institutions. However, in the scheme suggested by the Working Group, a different set-up is advocated.
2. If it is conceded that the apex body does not get subsumed in the local self-government, it follows that the constitution of any apex body will have to be determined by the state government. In such an event, it can be on a statutory basis (sometimes as part of legislative provision relating to local self-government as in the case of Andhra Pradesh) or through an administrative order (as in the case of Maharashtra and Gujarat). In the latter case, the planning body cannot but be a totally advisory body.

3. The related issue in respect of such apex planning body would be involvement of a minister at state level in his capacity as a minister. The state minister, if he is to be associated with the district level planning body, would normally be the chairman of the district body. The propriety of a state-level minister, incharge of a specific portfolio, presiding over a district-level planning body can be questioned.
4. The involvement of all MLAs is often advocated. In some cases, select MLAs (i.e., Members of the Legislative Assembly at the state level) are nominated by the state government. Where legally constituted local-bodies exist, their representation should normally override that of MLAs. The real issue here is whether people elected by the people to be in-charge of legislative affairs of the state be actively associated with planning at local-level.
5. Yet another issue relates to the membership of the presidents of panchayat samithis (i.e., elected heads of block level body) where, again, the pattern could be mixed, viz., involvement of all select few chosen by the state government, and none else (as in the case of Andhra Pradesh). To make district planning comprehensive, the chairmen of municipalities have also been involved. Here, again, the pattern can be none except select few or all.
6. Often it is suggested that interests of weaker sections -- like SCs, STs, women, etc.--be represented (on a nomination or co-option basis) in the apex planning body. It may be noted that this idea or issue is raised only with reference to sub-state planning and not at state or Union level. Similarly, association of interest groups, such as farmers, is advocated. These ideas are relevant only if apex planning body is meant to enable participation rather than (or in addition) being a technical body.
7. As regards officials, the role of Collector seems to be a matter of concern. The association of Collector with such a body is generally recognised though the importance to be accorded varies. Here, again, the working group on district planning favours providing a crucial role to the Collector. The logic appears to be three folds: first, Collector as representative of state should be involved; second, Collector is the main coordinating official at the district level; third, the traditional image helps. A number of other officials representing autonomous bodies or departments are also associated. Association of officials as members appears to be a deviation from the common practice at the state level.

8. Another major issue relates to the association of experts other than permanent civil services in the government. Unlike the state or Union level, a reluctant or part-time association is practised/advocated. In other words, among the large membership of the body, occasionally there are some educationists, economists, etc. In this connection, an interesting suggestion made by the working group is that there should be an expert body in addition to the apex body which will scrutinise the proposals before being placed for consideration at the apex body.
9. Sometimes having a smaller body, like executive committee. is advocated to carry out the transactions.
10. Distinct units/functionaries to perform identifiable functions as annual plans or evaluation are seldom noticed. The emphasis appears to be on combining planning and programming functions. For instance, DRDA, or ITDA do attempt to develop such expertise.

ADMINISTRATIVE MACHINERY FOR PLANNING AT SUB-STATE LEVEL

In regard to the administrative machinery for planning at the district level, the general thrust is towards locating Chief Planning Officers (CPO), whose status will invariably be below that of the District Collector. It is not clear as to whether CPO will be answerable to the local self-government, the collector or the Planning Department at the state level. Here, again, the Working Groups preference is for a separate planning cadre from the state level and the CPO is expected to be part of this state level cadre. In regard to planning machinery to assist the CPO, there are three possibilities: (1) Expertise could be drawn from disciplines like economics, statistics, cartography, sociology, geography, engineering, banking, etc., and located in the office of CPO; (2) Expertise could also be drawn from special areas, like agriculture, animal husbandry, horticulture, etc., and kept in the office of CPO; (3) The planning capabilities of district level officials in departments/bodies could be identified and strengthened.

So far, no separate machinery at the block level has been positioned. However, the Working Group advocates appointment of planning officer of the rank of chief executive of the block to be assisted by two research assistants. Here, again, it is not very clear as to how the planning officer should function with reference to the district level body as well as other elected and bureaucratic institutions at the block level.

It is, thus, evident that in the absence of appropriate political

bodies and relevant budgetary procedures for sub-state planning, it is difficult to even identify framework for analysing the apex planning body or machinery for planning at sub-state levels.

In fact, the various issues discussed above would indicate that there is confusion about the role of sub-state planning body/machinery in terms of popular participation in project-identification, location and implementation vis-a-vis the process of planning as one which introduces rationality.

On a more general plane, the distinction between plan and non-plan and confining the activities of planning machinery to plan gives rise to incrementalism. In other words, substantial developmental activity (even within the budgetary mechanisms) occurs outside the technical definition of plan and the consideration of such non-plan developmental activity tends to be outside the planning process in the country.

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Strategies for Rural Development in Countries of Asia-Pacific Region : An Overview *

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FOR THE last quarter century or more, Asian countries in particular, and Third World countries in general, have undergone a massive experimentation in rural development.¹ Evolution of the models of rural development can be traced with the inception of the Community Development Programmes of mid-1950s. Later, severe food crises during 1960s led the developing countries to opt for agricultural development, popularly known as **Green Revolution**.² Agricultural development model, however, showed a clear bias for mere production dimension and resulted in 'class hatred' and 'social tension' in many parts of rural Asia.³ Consequently, there evolved a new strategy called 'rural development' taking both agricultural and non-agricultural aspects of rural lives. Nevertheless, socio-economic conditions of rural Asia did not show significant change and rather generated 'ugly facts'.⁴ Thus, during the mid-1970s, under the sponsorship of several international donor agencies, there emerged a new approach called 'integrated rural development' with a challenging task to make a direct 'frontal attack on rural poverty'.⁵ Ironically, rural poverty, landlessness, unemployment still persist and are characterised rural lives in many parts of Asia.⁶

RURAL DEVELOPMENT STRATEGIES

Rural development strategy can be defined as a set of goals, operation processes, terminal objectives and structural arrangements designed to bring about change and development in the lives of the

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rural people. A typical rural development strategy is defined as one "that achieves desired increase in farm output at minimum costs, makes possible widespread improvements in the welfare of the rural population, contributes to the transformation of a predominant agrarian economy, and facilitates a broader process of social modernisation".⁷ Rural development strategies, therefore, outline the processes that lead to a rise in the capacity of the rural people to control their lives and environment, accompanied by wider distribution of benefits resulting from such control.

Rural development strategies are also viewed as 'strategic intervention':⁸ (a) in the rural economy through change in production and pricing, fiscal, monetary and credit policies; (b) in the rural institutions directed toward the creation of favourable changes in the rural infrastructure; (c) in the social structure by bringing about change in property relationships, distribution of rights and privileges by different rural classes; (d) in the power and authority structure at various levels; and (e) in the cultural matters, in ideas and beliefs about nature, man and society.

In a typical Third World country, rural development strategies result from a complex decision-making process having various external and internal constraints. Effectiveness of rural development strategy is, therefore, determined by the extent to which it integrates a variety of activities in the field in which it operates, aiming at creating or maintaining a certain set of conditions for the future. Thus, in understanding a rural development strategy, one has to determine to what extent it is well articulated, free from internal and external inconsistencies, and autonomous of immediate circumstances, and to what extent it lacks these characteristics.⁹

Typologies of Rural Development Strategies

Based on programme components, assessment of implementation problems, strategies for optimum programme management, a convenient classification of rural development strategies can be made.

Griffin¹⁰ classified rural development strategies into three broad categories--technocratic, reformist and radical. These strategies differ in their objectives, in the performance priorities, in the ideology used to mobilise support and action, in the dominant form of land tenure institution, in the patterns of property rights, and in the way the benefits of the economic system and growth process are distributed.

The first approach is described as **technology-oriented**, primarily directed at increasing rural productivity, either by incorporating more conventional inputs, such as land, or by encouraging farmers to adopt improved technologies. This objective, together with the rest

of the economic system, is justified in terms of a liberal capitalist ideology. Operating with such ideology, the technocratic strategy relies on the principles of competition, free markets and private property as sufficient conditions for achieving the growth objectives.

The reformist approach is basically an attempt to make a compromise between the two extreme approaches, namely, the technocratic strategy, on one end, and the radical strategy, on the other. It attempts to reconcile redistribution with faster growth, which is done by changing agrarian institutions. The beneficiaries of this strategy most often are the middle peasants and large farmers. The redistribution, however, takes place largely from the upper income group to the middle. The lowest stratum may have higher income but its relative share does not increase accordingly. This strategy is generally quite popular, emerging as a nationalist stand in most of the developing countries.

As the extreme end of the spectrum is the radical strategy. It aims to achieve rapid social change and redistribute political power, wealth and income to attain a higher level of production. It calls for greater mass participation. The radical strategy sets aside the growth objective and puts primacy on social, political and economic equality. This strategy assumes that human labour is an untapped resource and can be mobilised by labour-intensive efforts.

Roth¹¹ made a three-fold classification more or less similar to Griffin's. He identifies radical-structural strategies as those which seek to sharply alter the existing institutionalised social, economic and political structures of the rural areas within a short period of time. The incremental-structural strategy include the gradual changes, e.g., community development schemes, land ceilings, changes in tenancy laws, intensive investments in agriculture and establishment of voluntary cooperatives. The radical-functional approaches are characterised primarily by changes in productive processes, adoption of new high-yield varieties (HYV), intense scientific application of technical inputs and extension facilities.

Gable and Springer¹² examine the rural development strategies from the level of resource consumption and use of technology. The technology-based strategy emphasises the application of science and technology in the field of rural development, while the resource-based strategy depends primarily on expanded or intensified use of traditional inputs and indigenous resources. The former strategy places unusually heavy demands on the administrative system while the latter emphasises internal mobilisation of local and indigenous resources and depends considerably on local initiative and participation.

An almost similar classification of rural development strategies

has been formulated by the Asian and Pacific Development Administration Center (now APDAC)¹³. These are: (a) those oriented to increased agricultural productivity without seeking any structural changes in the form of land ownership and the unit of production; (b) those seeking to raise rural solidarity through limited changes in property relations and through creation of institutions, such as cooperatives and institutions for village self-government; and (c) those seeking to radically transform the social structure and property relations in rural community in order to eliminate economic, social and political inequalities.

Inayatullah¹⁴ classifies the rural development strategies in terms of the level of intervention with respective broad policy goals where productivity, solidarity and equality are considered as broad indicators. The models are: (a) Low Intervention Productivity Model (LIP), (b) Medium Intervention Solidarity Model (MIS), and (c) High Intervention Equality Model (HIE).

Low Intervention Productivity Model (LIP)

This model primarily seeks to raise productivity without necessarily bringing about significant changes in the social structure and land tenure system. The strategy of this model is to assist those who have the necessary capital, resources, skills and motivation to raise productivity. This model calls for easy access to inputs and technical innovations and more incentives to organised production for market chain and self-consumption. The model allows, to a great extent, the production priorities to be determined by the market forces. This model also advocates for some "ad hoc and limited planning" to achieve these production goals. The intended beneficiaries are the large farmers who, according to this model, can mobilise the necessary inputs for greater productivity.

Medium Intervention Solidarity Model (MIS)

The basic assumption of this model is that the decay and degeneration of the rural community and lack of a participatory institution and associative capability are the basic reasons for rural underdevelopment. The model, therefore, seeks to remove the bottlenecks through creation of new institutions, modernisation of the rural elite, and diffusion of organisational and human relations skills. The model permits limited intervention in rural institutions through moderate changes in the land tenure system and in the local power structure. It encourages cooperative activities by creating community-based credit, marketing and consumer cooperatives. Through these cooperatives, it attempts to mitigate exploitation in rural areas and to strengthen the economic power of the rural producers and

consumers. The main beneficiaries of the model are those belonging to the rural middle class.

High Intervention Equality Model (HIE)

This model of rural development views the inequality of income, wealth and power as the main cause of rural underdevelopment. It rejects the assumptions regarding poverty offered by the other two models. Thus, it regards those assumptions as symptoms of poverty of rural people which exists as a result of lack of available opportunities and resources for those people. The primary goal of this model is to narrow down and consequently eliminate the social, economic and cultural inequalities and exploitation of the poor by the rich classes. Rural development, according to this model, therefore, requires a two-fold struggle: control of the state apparatus at the national level through appropriate political organisations by the rural poor to facilitate radical changes, and an organised struggle against the rich at local level through which the poor will enter the power structure and control resource bases and means of production. Such struggle would ultimately bring about a rational distribution system and appropriate social tools for development, and thereby eradicate rural poverty and underdevelopment.

RURAL DEVELOPMENT STRATEGIES: PRIORITIES OF THE DONOR AGENCIES

In recent years, several international aid-giving agencies have shown considerable interest in rural development. In many cases, these agencies have institutionally and financially supported several projects in Third World countries.¹⁵ However, the donor agencies have their own models and approaches to rural development. The following section attempts to highlight the approaches, assumptions and policy options of some of these donor agencies.

World Bank: Functional Coordination Strategy

During the last decade, the World Bank has made a substantial adjustment in the scale and direction of its assistance for rural development. In fact, at present, the World Bank is the largest single source of external funds for investment in rural sector. The annual contribution of the World Bank in the rural sector has increased substantially in recent years, rising from an average of US \$120 million a year in the mid-1960's to more than US \$1.6 billion a year in mid-1970's.¹⁶

World Bank, in its policy priority, stresses on three basic assumptions regarding the issues of rural development in the developing countries.¹⁷ First, in most of the developing countries, the rate of

transition of people from low-productivity agriculture and related activities to more rewarding pursuits has been very low. Second, the mass of the people in the rural areas of the developing countries faces varying degrees of poverty; their condition is likely to get worse if population expands at high rates while restraints continue to be imposed by limited resources, technology, institutions and organisations. Third, rural areas have labour, land and at least some capital which, if mobilised, could reduce poverty and improve the quality of life. This implies fuller development of existing resources, including the construction of infrastructures, such as roads, irrigational works, etc., introduction of new production technologies, and creation of new types of institutions and organisations.

Upon such assumptions, the World Bank proposes three possible approaches for rural development to tackle the unique situation of a particular country. The first is the **minimum package approach** co-ordinated in a single project where technical, administrative, financial and institutional inputs, infrastructure and technology are organised to raise agricultural production. Credit, extension service, fertilisers, feeder roads and new basic public facilities are combined in packages of projects appropriate for local communities. The second is the **comprehensive approach** which attempts to improve the productivity of selected crops throughout a country or to deliver financial and technical assistance to selected regions where the productivity of a range of commodities can be increased. In either case, functional inputs are coordinated by a special authority or government agency at the national level and emphasis is placed on creating community or cooperative organisations to deliver services. The third and final one is the **sector or special programme approach** which provides single services, such as public works, health, and education. This kind of programme may be nationwide in its coverage.

The World Bank is however, reluctant to prescribe a definite strategy and, thus, argues: "no single package or formula is likely to be either necessary or sufficient for effective rural development".¹⁸

United Nations: Rural Modernisation Strategy

The United Nations lacks an overall, unified rural development strategy. Each of its specialised agencies, regional commissions and semi-autonomous research institutes is usually concerned with certain specialised aspect of development, viewing rural problems and their solutions from functional and geographical perspectives. Unlike the World Bank, UN agencies have not clearly defined potential beneficiaries of rural development other than marginal farmers and peasants.

United Nations strategies are based on four major assumptions regarding rural development problems of the developing countries.¹⁹ First is that increasing gaps in income from agricultural and non-agricultural sector are and will continue to be a primary cause of rural urban migration. Second is that reducing those income gaps depends on promoting agricultural productivity, technological progress and industrial diversification and on modernising rural, social and economic structures. The third assumption is that modern production techniques will increase agricultural output sufficiently to keep pace with controlled population growth. Finally, the fourth assumption is that rural social and economic structures can be modernised through coordinated investment in services, facilities, infrastructure and technology.

The UN strategy of rural modernisation is a complex process involving a variety of components. It is thus conceived as a means of achieving rural-urban integration within the context of the national development process. However, the main focus of the strategy is farm development, increased agricultural production through cooperatives and extension, functional literacy, community development, agricultural education, and health.²⁰

USAID: The Integrated Development Strategy

The USAID is one of the leading sponsors of development programmes in the Third World. The USAID's help is directed toward the collaborative style of assistance by placing developing countries at the centre of development efforts. The USAID focuses on the growing problems of income redistribution, and projects aimed to benefit the majority of the rural poor.²¹ It recognises that traditional elements of development, such as roads, irrigation, and public works alone are not enough to bring about rural development and do not directly benefit the rural poor. The USAID planner, therefore, emphasises those elements of the strategy that enable the landless and near landless to gain relatively a greater share in the fruits of economic growth. The USAID strategies, thus, give strong emphasis on expansion of non-agricultural work opportunities and on building institutional and administrative capability at the local level.

Asian Development Bank: Rural Investment Strategy

The Asian Development Bank (ADB) lately has become one of the leading institutions sponsoring several rural development programmes in the Asia-Pacific region.²² The ADB identified the following as major problems of the countries in the Asia-Pacific region. These are: (a) widespread underemployment and poverty among rural population; (b) unsatisfactory performance of agricultural production and

distribution system; and (c) poor implementation capabilities of the government machinery both at the national and grassroot level to meet the developmental tasks.

In the light of the objective conditions of rural Asia, the ADB, therefore, developed the following guidelines in supporting and designing rural development programmes for the member countries: (1) programmes that simultaneously expand rural employment as well as agricultural production, (2) programmes that assure more and better public services in the rural areas; (3) programmes that induce changes in rural institutions so that they function more efficiently; (4) develop longer perspective with regard to land-use management; and (5) reorientation of policy which considers the needs of rural economy and society. Upon the above mentioned general policy options, ADB took its strategy of agricultural and rural development on the premise that the Bank would help the developing member-countries in the following ways:²³ (a) supplying more capital for productive off-farm activities in the rural areas; (b) giving high priority to projects in which there is a minimum absorption of currently under utilised rural labours into economically viable occupation; and (c) establishing or upgrading components of agricultural extension services which are aimed at the economic activities of rural women.

The ADB's basic concern of involvement in the rural development activities, so far as organisation, management and design are concerned, is guided by a five-point principle. The Bank finances only those rural development projects which are: (a) basic human need oriented, (b) participative, (c) economically integrative, (d) environmentally sustainable, and (e) cost-effective or cost-reducing.

Focus on Institutional Limitations

In spite of comprehensive design and implementation of some of those above-discussed strategies of rural development, success story is few and far between. Recent studies reveal that most of the countries in the Asia-Pacific region have not yet succeeded in satisfying the aspirations of the rural people and their basic requirements consistent with principles of human dignity, social justice and solidarity.²⁴ The past development efforts and programmes in many countries have largely failed to reach and adequately benefit the rural areas and have in many cases contributed to urban-rural imbalance in development,²⁵ neglected the dynamism and diversity of authentic cultural values of the rural population and led to imbalance within the rural sector.²⁶

In a typical Third World politic-administrative milieu, nature of the ruling regime as against objective choice, usually determines the overall strategies for socio-economic development.²⁷ Empirical ob-

servations further reveal that in the competitive interest-oriented party system, rural development strategies are mostly short-term and concentrate on a specific short-range problem; consequently, the planning process has to accommodate conflicting and contradictory demand of interest groups. On the other hand, in an authoritarian regime, rural development strategies are mostly formulated by a dominant technocratic oligarchy. These strategies and policy choices are overly ambitious but met with a variety of practical limitations.²⁸

Noting the experiences of the Third World countries, some critics observed that in some selected cases, rural development strategies are found to be political instrument to achieve political purposes.²⁹ In such cases, project priorities of rural development programmes result largely from the perception of political requirements as well as the socio-economic priorities of the ruling elite where objective realities surrender to subjective choices. Consequently, rural development strategies are being used as instruments for regime maintenance.³⁰

Situational studies on different cultural and national settings have highlighted several built-in structural institutional limitations of these models or strategies of rural development.³¹ Some underscored that these strategies were found to be inconsistent with the broad national development policies and plans and, therefore, in most cases failed to generate adequate political support from the national political leadership.³² In some other cases, it has been observed that the dominant bureaucratic culture has frustrated the participative and decentralised institutional arrangements for rural development.³³

CONCLUSION

Scholars, practitioners and development planners are still confused with the various premises of rural development. It is still more confusing whether rural development is a means or an end for development.³⁴ Frustrating experience, therefore, made some observers to label the past three decades as "a quarter century of anti-rural development".³⁵

There is a running debate among the rural development experts over the exact coverage and level of intervention of a strategy for rural development. One school of thought propagated by what has come to be known as "rural development optimist", composed of such organisations, like the World Bank, Asian Development Bank, USAID, etc., advances the idea that strict administrative supervision and a structural-functional modification of the organisation and management

could invariably lead to a balanced institutional framework where the interests of diverse rural communities are protected.

On the other hand, the radical school of thought is for a complete and absolute renovation of existing distribution system and made of production through drastic policies initiated and supported by the power regime.

Finally, another group argues for a rural development strategy which "democratises property relationship" through class conscientisation, political motivation and mobilisation of disadvantaged groups especially with regards to determining and establishing their rights and privileges.

Experiences of the countries of the Asia-Pacific region, however, show that the choice of any set of rural development strategy depends on the following factors:³⁶ (1) political commitment of the national leadership to certain socio-economic values or ideology; (2) knowledge and awareness of possible consequences of public intervention in economic, social and political spheres; (3) nature and extent of dependency in external environment; (4) level and extent of internal stability; (5) organisational and administrative capability; and (6) overall level of national development.

An effective rural development strategy is basically the product of a systemic interaction of the components where patterns of asset distribution, organisations and institutions, incentive systems, mode of production and production relationships and selected endogenous and exogenous factors maintain a dynamic equilibrium. However, the success or effectiveness of such strategy would depend not so much on technical inputs and token changes in administrative infrastructure but on conscious and deliberate reforms with total political commitment.

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Characteristics of Large Service Organisations in a Developing Country Like India :

A Conceptual Model

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INTUITIVELY WE attribute to size the performance, or largeness of an organisation. At the back of our mind are the functional and dysfunctional, structural and behavioural implications of an organisation's being not just large but also giant. Size and its largeness seem to have captivated academicians, and there is abundant literature on conceptual analyses and empirical studies on the effect of size on organisational characteristics. Many of the empirical studies¹ have tried to relate size directly with particular organisational features. Hall² took the analysis further when he said that technological and environmental factors needed to be considered in conjunction with size to explain organisational structure and processes. However, even this has left unexplained a significant structural variation in inter and intra type industries which, as Child³ has mentioned, calls for a shift in theoretical orientation from viewing it as a functional imperative to a political process. He has pointed out, "It is argued that available models in fact attempt to explain at one remove by ignoring the essentially political process, whereby powerholders within organisations decide upon courses of strategic action. This strategic choice typically included not only the establishment of structural form but also the manipulation of environmental features and the choice of relevant performance standards."

In developing countries, the causation links of large service organisations are all the more unclear as most of these are state-owned enterprises. For the sake of some level of commonality, the types of organisations discussed in this article are restricted to service organisations in government sector, providing infrastructural facilities, like transportation, banking, hospitals, and communication. They vary in degrees on various dimensions acting as mediating variables between size, structure and performance. The dimensions that we have chosen as having significant influence are: profit orientation, resource availability, and extent of competition. Another factor that would be crucial to the analysis is the significant

influence exercised by the powerholders outside these organisations, that is the ministries. In other words, the effort will be towards developing a conceptual model to explain the intra and inter industry structural and behavioural variations in large organisations, in the context of the environmental factors and the three dimensions, and viewing the outcome as a result of political process.

WHAT OTHERS HAVE SAID

The term 'size' has been defined in various ways. We, however, will take it as referring to volume of business. It may refer to sales force for a marketing organisation, number of beds for a hospital, enrolment for an university and so on. We need to be guarded against one pitfall. If we say, for example, that the civil hospital in a city is large because it has 2,000 beds or a bank is large because it has 7,000 branches, no one can dispute it. But since they deliver different services, it cannot be claimed that the civil hospital is larger than the bank or vice versa.

The focus of literature on size has been on the relationship between size and structure to explain: (1) relationship among the structural characteristics of organisations, (2) determinants of variability in the structural characteristics, and (3) consequence of structural characteristics.⁴ In general, it is found that larger organisations tend to be more bureaucratic with a tendency towards more specialisation, more standardisation and more formalisation⁵. Complexity along with size is another factor that determines bureaucratic control.⁶ The complexity of the organisation is determined by the organisational context and environmental context. The organisational context comprises size of the organisation, integration and automation of technology, number of operating sites; and environmental context in terms of degree of contact across organisational boundaries. Technology is another mediating variable and formalisation would tend to increase with size depending upon whether the technology is built around standard or non-standard products.

Worthy's⁷ study of behavioural implications of size is one of the earliest and most extensive studies. He concluded that larger organisations have lower employee morale and lower individual output. This arises from larger organisations tending to become taller, resulting in proliferation of hierarchical levels. Another study⁸ found that trade salesman in flat organisations perceived more self-actualisation and autonomy, felt lower amounts of anxiety and stress, and performed more efficiently than in medium or big organisations. It also found that the relationship between size and job satisfaction is curvilinear with the medium sized organisations, out performing lar-

ger and smaller organisations.⁹

The studies mentioned above and numerous other studies point out that the focus has been on specific relationship between size and other factors and that they need to be put together into a comprehensive model. For a complete explanation, we need to bring in the concept of strategic choice as proposed by Child.¹⁰ Incorporation of the process, whereby strategic decisions are made, can help us direct our attention to the sets of choice available in respect of organisational design. Such choices do exist and are exercised by the power-holding groups. They are the dominant coalitions and, in India's context, the external coalition also need to be considered. The concept of dominant coalition is useful in drawing attention to the realm of decision making and, "If, as we have argued, there is some freedom of manoeuvre with respect to contextual factors, standards of performance and structural design then some choice is implied as to how the organisation as an ongoing system will be maintained."¹¹ The freedom of manoeuvre would depend on the choice set which in turn is constrained by the three dimensions. The three dimensions need to be explained before we trace out their implications.

INFRASTRUCTURAL SERVICE ORGANISATIONS

We have considered only service organisations as we believe there are similarities among them. Service organisations are generally labour intensive which necessitate greater focus on the behavioural implications. Spatial dispersion is another factor that signifies service sector. The need for contact with the customers makes them spread out spatially. This factor also has its own implications. These organisations make crucial contribution to the economy and are often saddled with conflicting objectives and nuclear trade-offs. These factors, coupled with nebulous input-output relationships, provide scope for rich analysis.

The earliest classifications of organisations were based on univariates. Etzioni¹² classified organisations on the basis of forms of power used to obtain compliance. Accordingly, organisations are classified as: coercive, alienative, remunerative, utilitarian and normative-moral. Another approach is to classify organisations beneficiary-wise. Such organisations are mutual benefit associations, business concerns, service organisations, and commonwealth organisations. These criteria do not seem to satisfy our requirement because the organisations that we are examining have multidimensional and conflicting objectives. It is, therefore, not surprising to find that, as per their criteria, banks fall in business type, communication in commonweal, insurance in service organisation, eventhough

we would like to classify all of them as providing infrastructural service.

Khandwalla¹³ has advocated the use of more than one dimension--like public service orientation, and profit orientation--and classification of these organisations on the basis of the extent to which they vary on these dimensions. Following his line of thought and on the basis of opinion of various writers on this subject, and some intuitive thinking, we suggest profit orientation, resource availability and extent of competition as dimensions having significant influence on the organisational characteristics. These dimensions are not entirely orthogonal. They are fairly distinctive. Though there may be other factors influencing strategic choices, we chose this for the reasons given in the following paras.

Profit Orientation

Rushing¹⁴ has correctly observed, "Despite the apparent fundamental distinction between profit and non-profit organisations, their differences in organisational efficiency and effectiveness have received very little systematic conceptual analysis by organisational theorists and few, if any, organisational studies have been conducted comparing these characteristics". His study of small, short-stay profit and non-profit hospital showed that differences do exist in the efficiency and effectiveness which suggest that these arise mainly from the fact that one type is primarily an economically oriented organisation and the other is not. For profit-making organisations, economic outcomes exert greater influence on decision-making and hence on the organisational process.

Profit orientation would vary from profit maximisation objective to not-for-profit objective and an organisation has to be placed in this scale based on its stated and pursued objectives. Empirical studies will be beset with many problems because each organisation caters to many segments governed by different levels of profit orientation. Profit orientation of banks may be more than that of railways but, within bank's activities, some sectors may be heavily subsidised at the cost of other sectors. Almost all public sector organisations are saddled with social objectives and one does not simply have an idea of the cost of bearing their social responsibilities, if we are to make a judgement regarding their profit orientation. This problem arises because some of the organisations, which ought to have profit orientation, pretend to be not-for-profit organisations even though their losses may be due to sheer inefficiency rather than due to social obligations. It cannot even be called as perceived level of profit orientation. At the other end of the spectrum are those organisations which earn huge profits often due to monopolistic

conditions. State Trading Corporations, dealing in canalised items, are often of this type and their inefficiency gets hidden behind their gifted profits.

Higher profit orientation is helpful to organisations in the sense that they can negotiate for better terms with the ministries with lesser amount of convincing. Another advantage would be that it is easier to attract talents, especially at higher levels, since even if profit is not motivating, losses are definitely demotivating. Higher profit could lead to higher level of resource availability which is again an advantage. It is here that the two dimensions are not fully orthogonal. They are distinctive because higher resource level need not necessarily mean higher profit orientation.

Resource Availability

The main focus of literature on resource availability has been on the effect of environmental munificence on inter-organisational conflicts and the strategies followed by the organisation as a member to adopt itself to it.¹⁵ For example, resource-constraint situation may lead to zero sum game among sub-groups of the organisation or may lead to enhancement of their resources through illegal means. As such, it can be said, "Scarcity-munificence of the environment may have important effects upon several intraorganisational processes; interpersonal and intergroup conflicts, differentiation of individual and subgroup goals, and the felt need for joint decision making".¹⁶ Resource availability has been considered by some authors for its effect on the process of budgeting, on the perceived rationality of distribution, on the motivation of coalition groups, and ultimately on the performance of its members.

Resource availability is to be understood in a relative sense. It is unlikely that any organisation can boast of surplus resources as one can always find a need for resources. Resource availability has to be judged in relation to the load on the organisation. Conceptually, resource availability can be defined as the ability to command resource. The resource could be monetary, material and human. The ability to command resources would be determined by factors, like extent of dependence on outside agency for funds, avenues open for resource mobilisation, profit orientation, etc.

The dependence on outside agency for funds is likely to increase the uncertainty regarding its continuity and size. The ability of an organisation, in this context, would be enhanced by the priority of its service to the external agency. It can also be helped by the demand generated in the society for its service. Dependence can be reduced by identification of more than one source of funds. For example, an educational institution by offering its services for

consultancies and management development programmes, can reduce its dependence on Government. This not only reduces uncertainty regarding availability of funds but also increases its negotiating power vis-à-vis its donor. The more important factor in such a situation is the scope that such activities give to its members for job satisfaction. It is also useful in giving 'side payments' necessary to keep the members in the organisation. Profit orientation also contributes to resource availability to a large extent. Here, it has to be borne in mind that the profits earned go to a central pool, that is the public fund, and do not necessarily remain with the respective organisations. So higher profit orientation does not necessarily imply higher level of resource availability though it is certainly a contributing factor.

Competition

Some of these organisations operate in monopolistic markets and where they are not, they are dominant partners by virtue of their size. Even under these circumstances, competition among the nationalised organisations in certain sectors is present. For example, even though major banks in India are nationalised, there exists fierce competition among them.

The advantage of encouraging competition among these organisations is that competitive orientation per se may act as a motivating factor. It induces confidence and pride in the minds of the members, especially when the organisation is on the right side of competition. It also provides them an opportunity to compare organisational performance.

THE MODEL

The model tries to interrelate size, structure, behaviour and performance. As explained below, the choice of size itself is a decision variable for the external coalition, mainly the ministries. The decision-makers, keeping in mind the size and the three factors discussed so far, determine the structure of the organisation. Behaviour of the organisation is simultaneously determined and it is also directly influenced by the profit, competitive orientation, and resource availability. The performance is determined by the optimality of these organisational characteristics and it also acts as a feedback to the external and internal coalitions. Performance is one of the bases of bargain between external and internal coalition. Organisations vary in degrees on the three dimensions and an analysis of implications of all possible combinations of these dimensions is not possible. But it is possible to discuss organisations at the

extreme levels and situations where some of the existing models can be directly fitted in. Some hypotheses have been suggested which may be broadly applicable to organisations with particular combinations of characteristics. These hypotheses are only indicative and not exhaustive.

Environmental Impact

In view of their largeness and visibility, these organisations are often under public scrutiny. They are answerable to the parliament for their performance and, in India, the monitoring is ensured through the Committee on Public Undertakings. The fact of public accountability has overriding influence on the strategic decisions, which includes even recruitment of personnel. Since no where the line of demarcation has been drawn between the ministries and the organisations in the area of decision-making, each organisation settles for its own level of autonomy that it can wrest from the ministry. The ministries are often overzealous about their jurisdiction and the organisations approach them with apprehensions. With an apprehensive attitude, the organisation often loses autonomy by default. There are also instances when the Chief Executives set their conditions before accepting the offer. So, if we take coalition within the organisation as one party and the ministry as the external sector, each party tries to probe the limit of the other and it goes on until a suitable transient local maximum is reached. It is only local because of the inertia to attempt global maximum which could be beneficial to both the parties. This is because of the uncertainty that such attempts create. The process may often be started by the new Chief Executive if he finds the old arrangement unsatisfactory. It is only transient because it could be disturbed by the shocks or stimulants from the environment (this will be discussed later). The disturbances can, of course, be used by the bargaining parties to get better terms. On the whole, one can say that drawing of boundary line will depend on the strength of coalition vis-a-vis the ministry. So we hypothesise:

Hypothesis 1

The degree of autonomy that an organisation possesses is decided by the exercise of boundary probing by the external and internal coalition which is a political process.

In the bargaining process, an organisation is helped by its position regarding profit orientation and resource availability. An organisation with a higher profit orientation and resource availability can wrest more autonomy than the other if it can show reasonable

level of performance. Loss making ones are prone to attract more attention from the ministry. Inability to command adequate resources will increase dependence on the ministry. It will also add to uncertainty regarding future flow of resources as the ministry becomes the source of all resource. Intuitively speaking, organisations starting at a lower level of resources seem to be destined to be over-governed by the ministries. However, it will be too simplistic to reach this conclusion, for some organisations have wriggled out of such situations due to dynamic leadership. They often achieve this through resource-building activities. They may try to find new avenues for augmenting their resources or by generating public demand for their services. They may even try to build resources through unethical means.¹⁷

Hypothesis 2

The less endowed in resources an organisation is, the more binding will be the boundary.

Corollary

The more binding the constraints the more an organisation will try to resist through resource-building activity.

Can we say anything about the form of control likely to be exercised by the external actors on the organisations? As already mentioned, the service sector does not yield for simple analysis of input-output relationship. Also, most of them are either monopolist or dominant partners in their respective sectors, and inter-firm comparisons are not possible. The ones which are fortuitous to earn profit may in reality be no more effective than other organisations. In the absence of any better measure, cost control provides an easy option. This is especially so for organisations with low profit orientation or resource availability or degree of competitiveness. But as Burke¹⁸ says, "Mere parsimony is not economy. Expenses and great expenses may be an essential part of the economy. Economy is a distributive virtue and it consists not in saving but in selection. Parsimony requires no providence, no sagacity, no powers of combination, no comparison, no judgement. Mere instinct may produce false economy in perfection. The other economy has larger views. It demands a discriminating judgement and a firm sagacious mind". Given that it is always tempting to choose easier alternative, no wonder we find plethora of controls emphasising efficiency rather than effectiveness. Besides cost control, procedural control is also popular. The parliamentary debates, committee reports and audit reports will indicate that the focus has been on procedural formalities rather

than on outcome. Always under scrutiny from various sections for irregularities, the organisations would rather go through the archaic procedure even if it is at the cost of better performance.

Hypothesis 3

Organisations with low profit orientation and resource availability and low level competition are specially prone to greater external control which is likely to be more in the form of procedural control with emphasis more on efficiency than on effectiveness.

The implications of various types of uncertainties in terms of the demands it makes on the organisations and their coping mechanisms have been dealt with in literature.¹⁹ At the first glance, the environment for the public sector organisations should be highly unstable, one would conclude. Being giant sized, their fortunes are closely linked to the fortunes of the economy. Changes in the fortunes of the economy may affect not only their markets but also the inflow of funds as their parent ministries themselves will then face financial crisis. Add to this the pulls from various pressure groups. Uncertainty as an attribute of environment does not mean much unless it is perceived to be so. Environmental uncertainty is a stimulant "... which lacks inherent meaning or information value until structured by an individual perceiver".²⁰ It can be thought of as the coalition group's behavioural environment, instead of being an attribute of physical environment. The reactions of the organisation to its environmental uncertainty will be in direct proportion to its own judgement of its capabilities in terms of its resources. Beyond a level, uncertainty ceases to be a stimulant and only results in the organisations building up its defence mechanisms. After a period of time, its own perceptive level of uncertainty may go down to the level of its capabilities.

Hypothesis 4

An organisation's coping mechanism to its environmental uncertainty is in direct proportion to its capabilities and where the uncertainty is disproportionate to its capabilities, it is met with defence mechanism.

As we know, public sector organisations in developing countries are saddled with many and often conflicting objectives. Also, they have to cater to a large population and often are ill equipped to meet the demand. In these conditions, the organisation tries to respond to standardised responses. "When the organisation does no-

thing, decision makers fear the risk involved in the disparity between its means and the demands made. A sort of cognitive dissonance develops and the decision makers retreat to safer grounds. When organisations repeat standardized behaviour, even though it is known to be unsatisfactory to the sectors, they are reflecting trained incapacity".²¹

In such situation, the performance itself acts as a gatekeeper to the inflow of demand. Imagine a civil hospital trying to cure all the patients it gets. The hospital will soon be flooded with patients. In reality, it is not, and patients go to Government hospitals only at last resort. Another technique is to maintain a distance from the public through red-tapism or even through physical distance. A municipal corporation, which found that a centrally located office is not conducive to meeting the complaints speedily, opened zonal offices in various places. Soon the zones were flooded with complaints and for obvious reasons they did not have the resources to fulfil the demands. The zonal offices were soon wound up. So when an organisation reaches its level of equilibrium, howsoever sub-optimum, it may be given all facilities. It is often pushed to the sub-optimum level because of inadequate facilities.

Hypothesis 5

Given the capabilities of an organisation, the load that it can shoulder effectively is simultaneously determined. Disproportionate load is dysfunctional and invariably the organisations are pushed towards that.

For external sectors, the choice of size is not something that is given, and that itself can be tinkered with. Why should we have only one Life Insurance Corporation (LIC), while we have four General Insurance Corporations (GIC), and 22 nationalised commercial banks in India. The LIC was the first to be established and later on, when GIC was established, the major consideration was the number of corporations to be set up. The LIC was set up as a single corporation in which all the existing companies were merged. Poor performance of LIC subsequently made the government to believe that it was due to its monolithic nature. The report on the reorganisation of GIC²² citing the example of LIC, has opined that its monolithic nature has been the cause for its poor customer service and that LIC has perhaps become too unmanageable in size to be efficient in its operation, and also that "It is safe to assume that competition per se, would generate the vigour and effectiveness necessary in an organization to provide good customer service". Ultimately, it suggested four corporations under the overall control of GIC. It needs to be stressed

that the choice that exists at the time of nationalisation will not be available once the organisation is allowed to be settled. For soon, various pressure groups would have developed vested interests and it will be very difficult to overcome their pressure.

Hypothesis 6

The formation of organisations is likely to be used as a strategic instrument to influence performance, and size and competition are the two major considerations influencing this decision.

The large size and spatial spread has lead to, by choice or compulsion, more and more vertical and horizontal differentiation, though they differ in degrees among organisations. One trend is discernible and it is regarding the role of corporate office. Its role is getting reduced to that of planning and advisory body. This is helped by several factors, like heterogeneity in the environment of various geographical regions, demand for attention by each region, and competition (wherever it exists). Decision-making gets more decentralised and there is almost a replication of the functional specialisation that exists in the corporate office at the divisional office level. A logical extension of such a development would be one in which GIC is operating. The GIC is at the top and it operates through the four insurance corporations coming under it. It prescribes policies and rules and procedures for common functions and acts as a planning and coordinating body.

Hypothesis 7

As an organisation grows in size, an extension of vertical and horizontal differentiation that takes place is likely to re-define the role of the corporate office as a true 'strategic apex'.

Assuming that growth in size does lead to vertical and horizontal differentiation, we cannot ignore the differences that are found in the structure of the organisations from the same industry, and between the industries. In the banking sector, for example, we find vast difference in the structure of the banks in spite of the fact that they face similar environment and are governed by same considerations. One of the reasons often cited is the difference in the culture of the organisation and the style of functioning of top management after nationalisation. The top management style, especially in the formative years, seems to make lasting impression on the organisation. It is, of course, also constrained by the pre-nation-

alisation culture.

The differences in the inter-industry organisational structure ought to be arising more from differences in the resource endowment, competition and profit orientation. It is easier for a bank which is relatively resource abundant to go in for one more division than for a police department. In the case of resource scarce organisations, the trend may be even reverse. They may go for more centralisation so that they may be able to conserve whatever resources they have, say for example specialists or sophisticated equipment, at the headquarters level. Competition and profit orientation have similar effect in that they may lead to more differentiation. It is problematic for those organisations, which are relatively resource scarce, to face competitive environment. The resource considerations will inhibit reaching optimum structure and often they have to compromise with their ability to compete.

Hypothesis 8

While the intra-industry differences in the organisational structure are more likely to arise from the culture of the organisation, the inter-industry differences are more likely to arise from resource availability, competition and profit orientation.

The stability of organisational coalitions that we talked of earlier will depend on the payments made to the members of the coalitions. Slack "consists in payments to members of the coalition in excess of what is required to maintain the organization".²³ Though every member of an organisation gets a share in the slack payments, the stability of the groups depends upon who gets how much. It depends upon their bargaining power and the ability to foresee slacks. At the outset, one can say that organisational slack will be more in relatively resource abundant organisation than in resource scarce organisations. There is also reason to believe that distribution of slack will be more skewed in resource scarce than in resource abundant organisation. The coalition group that is critical to the working of the resource scarce organisation will be able to extract maximum slack through threat of withholding their services. Also, the group with low priority will be more successful in getting a satisfactory share in a resource-abundant organisation than in the opposite case.

Hypothesis 9

The distribution of slack in a resource-scarce organisation is likely to be more skewed than in a resource-abundant

organisation.

In order to study the motivational aspects of large organisations, one has to draw lessons from various studies conducted in the context of size, tall structures, resource scarcity, etc. Research findings have shown that large size leads to tall structures and tall structures lead to a sense of alienation among its employees. Since these organisations are also spatially spread out in most cases, the scope for sense of alienation is much more. What is not clear is, why should it settle down sooner in some organisations than in other organisations? It has to be seen in the context of overall motivational level prevailing in the organisation influenced by the three dimensions, besides size. A continuous resource scarcity is seen as a demotivating factor. If the resource constraint is imposed by the external actor and if it is done over a period of years, it will be seen as arbitrary, leading to a sense of normlessness. Again, competition may be useful in motivating the members provided it is compatible with the capabilities of the organisations. Broadly, we can conclude:

Hypothesis 10

While growth in size of an organisation may lead to motivational problems, the process gets hastened by poor resource endowment, low profit and competitive orientation.

The performance is the outcome of various characteristics of an organisation and it also provides feedback to external actors and internal coalitions. At the outset, on the nature of relationship between size and performance, one can draw lessons from economics. We have a useful tool, that is the law of diminishing returns of scale. The returns to scale (that is growth in capacity) is determined by economy and diseconomy of scale. They arise from managerial, technological, financial, and marketing factors. What is advantageous at one level may become disadvantageous at another level. When the diseconomies of scale outweigh economies of scale, diminishing returns set in. As an organisation grows in size beyond the optimum level, there is every chance of economies of scale to turn into diseconomies. It gets accentuated when large corporations show propensity to become larger. The intra industry differences in performance of organisations of similar sizes suggest that the economies of scale are not rigid. Some of the managerial problems, for example, can be solved with computerisation, decentralisation and application of more management techniques. But introduction of these technologies or techniques may be constrained by resource availability, poor

leadership, etc.

It is very difficult to explain under what levels of resource availability, competition and profit orientation the organisations can perform better. As such, competition and profit orientation should be positively contributing to the performance for reasons explained above, provided such competition is not out of tune with the resources of the organisation. A detrimental situation arises when the organisation has very low resource availability and profit orientation and has to face a competitive or non-competitive situation. Here, the organisation gets trapped in a low level equilibrium. The performance is poor because resources are low and resources are low because the performance is poor. If the performance is poor, the external agency tightens its control which further aggravates the problem. As already mentioned, the organisation develops defense mechanism and comes out with stereo-type responses. This strengthens the tendency toward 'status quo', as the consequences of any deviations are highly uncertain. Every state government has to maintain the edifice of civil hospital, whatever may be its contribution. The functioning will be smooth as long as a doctor does not amputate a wrong leg or operate on a wrong eye. Then it will be all hell let loose.

Displacements from low level equilibrium do occur and they occur through 'shocks' or 'stimulants'. Leibenstein²⁴ used these terminologies to explain how a country may get trapped into low level equilibrium and how it can get out therefrom. If the stimulants are sufficiently strong, the country can escape the low level equilibrium trap. Widespread occurrence of jaundice in a city may prove to be a boon to civil hospital as it can hope to get additional resources. Such shocks or stimulants help precipitate crises forcing organisations to take decisions. These situations have to be strategically exploited to make the best out of it. For turn-around management, such situations offer better opportunities than when the organisation is in a steady state. Else, they may be used merely for settling across and all that will happen is that a new coalition group will emerge.

Performance, as a feedback loop, comprises a useful basis for negotiation with the environment. Some of the turn-around strategies, including showing profits, even if it is for a short run, to boost the morale of the organisation and negotiate better terms with the external actors. It works in the reverse way also.

CONCLUSION

An attempt has been made towards understanding large sized service organisations in their entirety, instead of viewing it in parts. In this context, it is felt that size has to be considered along with other factors, like resource availability, profit orientation, and competition. At the outset, some hypotheses have been provided to link these factors with the characteristics of these organisations. To conclude, quoting Kimberley,²⁵ "It is difficult to conceive of an interesting or important aspect of organisational life that does not require a dynamic perspective. Nowhere is the contention more evident than in the case of the relationships between organisational size and structure. The conceptualisation of size, as a dimension of either an organisation or its structure, is a direct result of a static orientation, one which is concerned with description of organisational configurations at particular points in time. Such descriptions do not themselves provide a basis for understanding and explaining their etiology. However, only a less static view will serve the purpose. Movement in the direction of a fuller and theoretically richer view of size as a variable in the study of organisation will inevitably lead to a more dynamic theoretical and empirical orientation in the field".

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Job Satisfaction of the Village Extension Workers in Rajasthan *

RAVINDRA SHARMA

JOB SATISFACTION, like physical or mental satisfaction, is inherent in human nature. It is closely connected with the upkeep of the right spirit in one's work. Thus, there is a high positive correlation between the extent of job satisfaction and the interest of an employee in his work. The higher the level of job satisfaction, the greater and fairer are the chances of his putting heart and soul with single-minded devotion and undivided attention to give perfection to the task. It is purely a psychological problem. The concepts of motivation, moral and job satisfaction are inter-related.

It is not an easy task to measure the job satisfaction. However, certain methods have been devised to estimate it. In this study, the schedule method has been employed to measure the extent of job satisfaction of the Village Extension Workers (VEWs).

VEW's Sense of Satisfaction with the Post

In an enquiry, 83.41 per cent VEWs mentioned that the post was according to their taste and choice. They were thus satisfied with the posts they held. On the contrary, 14.21 per cent of them presented a different view altogether and were not fully satisfied with the posts they were appointed to (Table 1).

VEWs Enjoying the Work

As many as 71.08 per cent VEWs felt pleasure and took interest in the work of the present posts. Only 26.54 per cent held the contrary view (Table 2).

*It is a part of a research project conducted by the author on 'Agents of Agricultural Change in the Context of Training & Visit System' (A Case Study of VEWs in Rajasthan), which was submitted to the ICSSR in 1985.

Table 1 DISTRIBUTION OF VIEWS ACCORDING TO
SUITABILITY OF POST

Suitable	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	156	12	8	176
No	27	3	-	30
NR	4	-	1	5
Total	187	15	9	211

Table 2 DISTRIBUTION OF VIEWS IN ACCORDANCE
WITH ENJOYMENT IN THE WORK

Enjoyment	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	131	12	7	150
No	52	3	1	56
NR	4	-	1	5
Total	187	15	9	211

VEWS Considering Their Task as Ideal

It is interesting to note that as per the Table 3 as many as 84.36 per cent VEWs considered their task as an ideal one. Only 13.27 per cent of them did not treat it as such.

Table 3 DISTRIBUTION OF VIEWS IN ACCORDANCE WITH
CONSIDERING THEIR TASK IDEAL

Task Ideal	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	158	13	7	178
No	26	1	1	28
NR	3	1	1	5
Total	187	15	9	211

VEWs Considering Fortunate to be on the Present Post

Nearly a half of the VEWs consider themselves fortunate to be on the present post. The percentage of VEWs holding the opposite view is not insignificant, i.e., 45.49 per cent (Table 4).

Table 4 DISTRIBUTION OF VEWs CONSIDERING THEMSELVES
FORTUNATE TO BE ON THE POST

Fortunate	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	95	6	5	106
No	87	6	3	96
NR	5	3	1	9
Total	187	15	9	211

VEWs Liking to Opt other Post or Profession

When asked about, around 50 per cent of the VEWs stated that they would rather opt for some other post or profession if they were given an opportunity even on the same pay or income (Table 5).

Table 5 DISTRIBUTION OF VEWs LIKING TO OPT OTHER POST

Opt Other post	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	89	9	6	104
No	92	5	2	99
NR	6	1	1	8
Total	187	15	9	211

VEWs Feeling the Payment of Adequate Wages

Slightly more than three-fourths of the VEWs felt that people performing good work in their department were not paid adequate wages. Less than one-fourth of them held just the opposite view (Table 6).

Table 6 DISTRIBUTION OF VEWs FEELING PAYMENT
OF ADEQUATE WAGES

Adequate Wages	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	89	9	6	104
No	92	5	2	99
NR	6	1	1	8
Total	187	15	9	211

VEWs Satisfaction with the Service Conditions

A large majority of the VEWs, i.e., 62.57 per cent, was found to be dissatisfied with the prevailing service conditions. This is in conformity with the dissatisfaction shown regarding their pay.

Table 7 DISTRIBUTION OF VEWs IN ACCORDANCE WITH
THEIR SATISFACTION WITH THE SERVICE CONDITIONS

Satisfied with Service Conditions	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	71	2	2	75
No	114	12	6	132
NR	2	1	1	4
Total	187	15	9	211

VEWs Getting Opportunity to Give Suggestions on the Working of their Department

Only 55.45 per cent VEWs said that they got an adequate opportunity to give suggestions and advice on the working of their department.

Table 8 DISTRIBUTION OF VIEWS ACCORDING TO OPPORTUNITY TO GIVE SUGGESTIONS IN THE WORKING OF DEPARTMENT

Get Opportunity to Give Sugges- tions	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	111	3	3	117
No	73	10	6	89
NR	3	2	-	5
Total	187	15	9	211

VEWS Feeling Free in Showing Disagreement with the Plans and Policies of the Department

The VEWs were asked whether they were free to express disagreement with the plans and policies of the department. In response to that, around 60 per cent of them replied in the negative (Table 9).

Table 9 DISTRIBUTION OF VIEWS BY FEELING FREE IN SHOWING DISAGREEMENT WITH PLANS OF THE DEPARTMENT

Feeling Free	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	73	3	3	79
No	110	10	6	126
NR	4	2	-	6
Total	187	15	9	211

VEWS' Satisfaction with the General Conditions of the Department

Of the total, 37.91 per cent of the VEWs were not found satisfied with the general conditions of the department (Table 10).

VEWS' Satisfaction with the T & V System

In all, 69.19 per cent of the VEWs were satisfied with the T & V System. Only 28.43 per cent of them held the contrary view (Table 11).

Table 10 DISTRIBUTION OF VIEWS IN ACCORDANCE WITH THE
GENERAL CONDITIONS OF THE DEPARTMENT

Satisfied	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	116	5	3	124
No	65	9	6	80
NR	6	1	-	7
Total	187	15	9	211

Table 11 DISTRIBUTION OF THE VIEWS ACCORDING TO THE SATISFACTION
WITH THE 'T & V SYSTEM'

Satisfied	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	134	10	2	146
No	49	5	6	60
NR	4	-	1	5
Total	187	15	9	211

**VEWS' Satisfaction with the Opportunities Given for Enhancing
Academic and Professional Qualifications**

Only around a half of the VEWs were satisfied with the opportunities provided by the department to enhance academic and professional qualifications. But the other half were dissatisfied (Table 12).

Table 12 DISTRIBUTION OF VIEWS ACCORDING TO SATISFACTION
WITH THE OPPORTUNITIES FOR ENHANCING QUALIFICATIONS

Satisfied	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	98	6	-	104
No	85	9	8	102
NR	4	-	1	5
Total	187	15	9	211

VEWs Considering the Post as Essential for Agrarian Development

It is interesting to note that as many as 96.20 per cent VEWs considered their post as essential to bring improvement in the field of agriculture (Table 13).

Table 13 DISTRIBUTION OF VEWs CONSIDERING THEIR POST ESSENTIAL

Post: Essential	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	179	15	9	203
No	6	-	-	6
NR	2	-	-	2
Total	187	15	9	211

VEWs Feeling for the Higher Level of Officials Taking Interest in this Welfare

Out of the total, 49.76 per cent VEWs opined that the higher level officials by and large took interest in their welfare whereas 48.34 per cent held the contrary view (Table 14).

Table 14 DISTRIBUTION OF VEWs ACCORDING TO THE FEELING THAT HIGHER LEVEL OFFICIALS TAKE INTEREST IN THEIR WELFARE

Take Interest in Welfare	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	97	6	2	105
No	86	9	7	102
NR	4	-	-	4
Total	187	15	9	211

VEWs Feeling that their Higher Level Officials Appreciate Good Work

In all, 57.83 per cent VEWs said that their superior officers appreciated whenever they performed any good work, whereas 39.80 per cent replied in the negative (Table 15).

Table 15 DISTRIBUTION OF VIEWS ACCORDING TO THE FEELING FOR APPRECIATION

Appreciate	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	108	10	4	122
No	75	4	5	84
NR	4	1	-	5
Total	187	15	9	211

VEWs Feeling Being Exploited by the Department

It is pertinent to note that except 7 VEWs, who did not respond, all the rest were equally divided on the issue of their being exploited by the department (Table 16).

Table 16 DISTRIBUTION OF VEWs ACCORDING TO FEELING OF BEING EXPLOITED BY DEPARTMENT

Being Exploited	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	92	5	5	102
No	90	9	3	102
NR	5	1	1	7
Total	187	15	9	211

VEWs' Satisfaction with the Promotion System

Every body wants that he should be promoted to the higher post after an interval of some years. The study reveals that the provisions for promotion of the VEWs are not sufficient. Whatever limited provisions do exist, even these are not implemented in the desired manner and to the satisfactory extent. The last regular promotions of VEWs were made in 1970 by the Departmental Promotion Committee. *Ad hoc* promotions were made by the department thereafter. According to many VEWs, there was a good number of their colleagues who had been working on the same post for the last 24-25 years awaiting their promotion to a higher post.

In response to a question regarding effective implementation, as many as 68.24 per cent VEWs mentioned that the government was not effectively implementing the provisions of the promotion. The VEWs, who admitted that the government had not been effective in implementing the provisions of promotion, were asked to mention the factors responsible for it. Around 21 per cent VEWs reported more than one factor. As many as 66.66 per cent VEWs held the administrative factor responsible, and 45.13 per cent reported that the political factor was responsible for it.

Many VEWs mentioned that the officers sitting at the higher level were the least bothered about their progress. They also said that the officers did not show the exact number of posts of the VEWs/Agriculture Supervisors (AS) and the Assistant Agriculture Officers (AAO). Fewer number of posts have been shown by the Agriculture Department than the number that really exist. On account of it, many VEWs are deprived of their due promotions.

During an informal interview, two active members of A.S. Sangh reported that the provisions of promotion were not being effected, firstly, due to lack of will on the part of the authorities of the department, and secondly, due to irregular appointments and promotions to the post of VEW/AS. Since many of the VEWs/ASs are not capable of performing the responsibilities of AAO, the authorities were reluctant to effect the promotions. So far as the academic qualifications were concerned, many VEWs/ASs were not even middle-class passed. It was surprising how they could work effectively as AAO. ASs/VEWs have complicated the matter of seniority also. The department does not have a seniority list of the VEWs.

In all, 57.81 per cent VEWs opined that favouritism existed in 'some or most' of the cases of promotion. Only 35.07 per cent of them said that favouritism 'not at all' existed (Table 17).

Table 17 DISTRIBUTION OF VEWs BELIEVING FAVOURITISM IN PROMOTION

Favouritism in Promotion	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes, mostly	30	4	2	36
Yes, in some cases	77	7	2	86
Not at all	67	3	4	74
NR	13	1	1	15
Total	187	15	9	211

In response to a question, around 57 per cent respondents said that VEWs showed dissatisfaction about the present state of promotion (Table 18).

Table 18 DISTRIBUTION OF THE DISSATISFACTION
ABOUT PROMOTION

Showing Dissatis- faction	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	101	14	5	120
No	83	1	3	87
NR	3	-	1	4
Total	187	15	9	211

In response to another question, around 55 per cent respondents said that they were not satisfied with the promotional avenues available to them on the post of VEWs (Table 19).

Table 19 DISTRIBUTION OF VEWs ACCORDING TO SATISFACTION
ABOUT PROMOTION

Satisfied	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	79	2	3	84
No	98	13	5	116
NR	10	-	1	11
Total	187	15	9	211

There is a lot of uncertainty about the promotion of the VEWs. Consequently, around 70 per cent VEWs were not sure that they would get promoted at the proper time (Table 20). Thus, it can fairly be concluded that a large majority of the VEWs is not satisfied with the present state of promotion.

Table 20 DISTRIBUTION OF VEWs EXPECTING PROMOTION AT PROPER TIME

Promotion at Proper Time	VEW (A)	VEW (B)	VEW (C)	Total (A+B+C)
Yes	51	2	-	53
No	130	11	7	148
NR	6	2	2	10
Total	187	15	9	211

Value System in Administration*

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SCIENTIFIC RESEARCH on human values is a recent phenomenon, and their study in a future-oriented, predictive context of administration, is certainly still in its infancy. Human values tend to form a system having some organised set of rules, norms and standards which become the driving force of behaviour. Let us examine some questions relating to values. What is a 'value' or a 'value system'? How do values relate to one another? What configuration do they form? How do they change? What is the inter-play of value systems within a society?

Values are so inextricably woven into our language, thought and behaviour patterns that they have fascinated philosophers for millennia, yet they have proved so 'quick-silvery' and complex that, despite their decisive role in human motivation, we remain desperately ignorant of the laws that govern them. "Policy-makers and scholars have been equally troubled by how much importance they should place on the role of values and attitudes in the modernisation process".¹ The real problem is to analyse and sort out the values that motivate administrative, social and individual behaviour of administrators at various levels of administration. The value universe can be compared to a great, uncharted and invisible ocean, a part of Chardin's 'noosphere'.

The objective of this article is to identify and specify the value structure and value-orientation of our administrators. However, there is no agreed or even promising method for finding out and stating what changes in the values of an administrator or group of administrators have taken place during a given period or what these values are at a given time.²

Values differ from individual to individual, group to group and community to community. To generalise about the value system of

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administrators in India is a very dangerous undertaking. What level of administrators should be studied--higher, middle or lower? What should be the age group of administrators--younger group between 20 years and 35 years, middle-aged group between 35 years to 50 years or older group from 50 years to 60 years? In what social environment--urban or rural or suburban? From which economic level--the rich, the middle or the lowest ones? Generalisations on value system are really very difficult and probably unscientific. However, some attempts have been made to present a blurred image of value system in administration.

CONCEPT OF VALUES

The concept of values is quite vague and complex. Different thinkers have explained the term in different ways. Howard Beeker says: "Values are any object of any need." According to Elyde Kluckhohn, a value is a concept, explicit or implicit, distinctive of any individual or characteristic of a group, of the desirable which influences the selection from available means and ends of action. According to Neil J. Smelser, values are the desirable end states which act as a guide to human endeavour or the most general statements of legitimate ends which guide social action. The concept of value refers in general to the normative standards by which human beings are influenced in their choice among the alternative courses of action which they perceive.³ Sometimes 'human value' is restricted to the area of personal values (of character and personality), but the concept of values can be extended over a broad domain ranging from individual to social to universal values. A few generally used terms related to values are broadly explained here. A person who subscribes to (i.e., has, accepts, holds, is dedicated to, gives his adherence to, etc.) a certain value is characterised as a 'value subscriber'. When a person begins to subscribe to a value to which he did not previously give adherence, it is said that he has acquired the value. In the reverse case, when he gives up adherence to a value to which he previously subscribed, one may say that he has abandoned this value. These two processes are termed as 'value acquisition' and 'value abandonment'. It is termed as 'value re-distribution' when there is a change in the extent or in the pattern of its distribution in the society.

The social values are those values which are generally acknowledged and widely diffused throughout the society, are explicit, overtly appeal to them, and can well be expected from publicly recognised spokesmen for value--i.e., newspaper editorials, religio-moral sermonisers, political orators, intellectuals, public leaders and the

like. Values change due to change of information, ideological or political change or due to economic-technological change. Value erosion can be induced by boredom, disillusionment and reaction. Four most important and dominant social values of the Western societies are: (1) survival of the society, (2) welfare of the society, (3) advancement of the society, and (4) reality adjustment of the society. The most dominant individual values of the Western societies are: (1) materialism, (2) independence, (3) self-advancement, (4) individualism, (5) comforts and amenities, (6) self-reliance and selfsufficiency, (7) personal liberty, and (8) self-fulfilment. In contrast, hierarchy, holism, continuity and transcendence are the traditional dominant values of Indian society. Honesty, truth, non-violence, peaceful co-existence, **nishkam karma**, obedience, **purusharth** (Arth, Dharma, Kam and Moksha), sacrifice and high character are the dominant traditional personal values of Indian society. However, a gradual but noticeable change in both personal and social values is coming up in Indian society after independence.

There is a continuous conflict between individual, organisational and societal values. Values can also be affected by the pathology of ego or opportunism and can be inimical to organisational good. An understanding of values is important and necessary before value conflicts can be resolved at any level. Value system has to be dynamic and keep pace with the changing needs and attitudes of the society towards concepts of development. Yet there has to be an underlying element of continuity in the value system that would ultimately direct the administrative effort to promote a good quality of life. More concretely, values can be conceived according to Rokeach Milton as "abstract ideas; positive or negative, not tied to any specific object or situation, representing a person's beliefs about (ideal) conduct". Values are essentially global beliefs that guide people's behaviour regarding specific objects and situations. Value system determines the relationship of a man in his family, his political or religious activity, and the choice among alternatives. In selecting goals, in choosing means for reaching them, in resolving conflicts, an individual is influenced by his value system. There are two types of values:⁴

1. Operative values are the criteria or value assumptions according to which actions or choices are actually made.
2. Conceived values are the values which are taught by culture, religion and ethics and at times have little practical influence on behaviour.

Generally every individual builds up his value system on the basis

of the following four sources of understanding:⁵

1. Cultural influences,
2. Science and innovations,
3. Religion and ethical influence, and
4. Life experience.

According to Nicholas Rescher, value change occurs when a specific value is redistributed through society (when, in other words, it gains or loses adherents); when it elicits greater or lesser commitment from its holders; when its subscribers extend or restrict what they regard as its range of applicability (as when, for example, equal opportunity is extended to include Negroes); when the holders of a value alter the criteria by which they measure its attainments; when they revise the priorities of action intended to implement the value or when they set different target dates for these actions and so on. Certain types of changes may be characterised as 'upgrading' a value; others are value 'down-grading'. Value-system is a psychological concept related to the mental processes of value judgements at conscious and at times sub-conscious levels.

A value system comprises three elements: (1) cognition or perception, (2) cathexis, preferences, involvement or affect, and (3) evaluation. Cognitive values include beliefs, information and analysis; affective values include feelings of attachment, aversion or indifference. Evaluative values include moral judgements and ethical codes of 'right' and 'wrong'. Admittedly, every administrator brings to the administration his own expectations and values which he acquires as a result of the several socialisation processes he undergoes as a member of his family, school, church, profession and society in general.⁶ The personal value system that is built around him is also influenced by his neurological and general biological constitution, the food he eats, the climate he lives in, the community he belongs to and the physical environment he lives in. The personal value system of an individual "is a relatively permanent perception framework which shapes and influences the general nature of an individual's behaviour".⁷ Personal values can be considered similar to ideology and philosophy, ingrained and stable in nature, encompassing a wide range of an individual's activity and not tied to any specific referent object. McLaughlin has summed up the attributes of values thus, "... values: (1) are not directly observable, (2) have cognitive, affective and cognitive elements, (3) do not operate independently of the biological organism or social field ... values are also conceived as: (a) referring to standards of the desirable rather than to be desired, (b) hierarchically organised in the personality sys-

tem, and (c) relevant to actual behaviour as a function of personal commitment and situational factors".⁸ There are value imperatives which pervade or govern the organisations. Meta-value is "a concept of the desirable so vested or entrenched that it seems to be beyond dispute or contention". Hodgkinson describes four such meta-values--namely, maintenance, growth, effectiveness and efficiency. The administrator has his own personal meta-values of maintenance, growth, efficiency and effectiveness. The value continuum for an administrator may range from non-commitment or detachment at one end to engagement at the other. His values may be governed by beliefs, commitment to work and even to success; meta-values of 'power' and success are also important for administrators.

The main characteristics of a value system are as under:

1. Value system is both internally consistent and integrated with the individual's total personality.
2. Value system implies a hierarchy of values which enable the individuals to choose confidently between things of greater and lesser importance.
3. Value system provides meaning and practical guidance in the world of reality and has certain amount of flexibility.
4. Value system changes and keeps pace with the individual's changing roles, life situation, physical and socio-cultural environment.
5. Value system provides satisfaction, sense of fulfilment and meaning to the various activities of life.
6. Values are of different kinds: social values, historical values, institutional values, structural values, professional values, and personal values. At times, different values present a picture of contradiction or contrary pulls. A person faces dilemma when personal values come in conflict with other types of values referred to above.

The value system of administrators at various levels of hierarchy need not be similar and can differ. The value system of the experienced administrators will be more conservative, pragmatic and flexible than young or newly recruited administrators. There are bound to be regional variations and value-gaps between the administrators working in different parts of the country. Value-gaps or differences of values pertain to differences in the conditions of life--age, sex, education, culture, religion and environmental conditioning--and thus there are variations in value system in each organisation.

In order to measure the value system, Milton Rokeach has worked out a standardised psychological test of 18 values.⁹ The test is

based on the following assumptions:

1. The total number of significant values are finite, indeed quite small.
2. Values are universal.
3. People differ from each other only in placing emphasis on each value.
4. Values are considered to be arranged hierarchically within a value system and the importance of a particular value is determined by its relationship with other values.
5. Once a new value is internalised by the members of a society, it develops some degree of functional autonomy.

VALUE SYSTEM--A CONCEPTUAL FRAMEWORK

Value system comprises a cluster of inter-related and inter-mixed values or group of values which are subscribed by a group of professionals or group of people. The attitudes, values and the moral hierarchy of the bureaucrats depend on three major factors: (1) socio-economic, (2) type and extent of education/training received by the individual, and (3) professional ties of the particular individual. Value system is a holistic reality and becomes meaningful only with reference to a 'pattern' or complex. Indian value system traditionally is characterised by the dominance of "a sacred society where the assessment of needs, occupations, interests, etc., was largely oriented towards non-utilitarian, non-pragmatic standards of evaluation". Value system can be considered as 'psychological dispositions' and cluster of socio-cultural and ethical values and attitudes which an individual or group of people possess or internalise.

Value system embodies those crucial internal principles, accepted norms, generic sanctions, and beliefs which determine the mode of expectation and characterise the pattern of motivation of individuals as well as that of the group in a society, involving their conscious, unconscious and sub-conscious activities. Value system includes those principles in terms of which a culture interprets, what is 'right' and what is 'wrong', and the endeavours of the individuals are organised in terms of those generic sanctions and internalised beliefs. Value system of a society is the conception held by its members, with varying degree of unanimity, of a good society and hence the standards by which they measure the good things and shortcomings of their own society.¹⁰ Value system is governed by certain sanctions. According to Bentham, there are four types of sanctions:

1. **Physical Sanctions:** As a general tendency, right actions

lead to physical health and the feeling of well-being while wrong actions like drunkenness and debauchery lead, ultimately to physical pain.

2. **Political Sanctions:** The political laws lead to punishment of such evil actions as theft and murder.
3. **Social Sanctions:** Public opinion gives praise and consequent happiness to the benevolent man while it condemns and ostracises the miser.
4. **Religious Sanctions:** Good actions give them a consciousness of God's approval and a consequent happiness. It is in the promise of a life beyond death that the good would be regarded by a superlative happiness and bad punished with an excess of pain that religious sanctions have chiefly operated. According to Bentham, "utilitarian doctrine of sanctions" influence values. J. S. Mill added a fifth sanction - "the internal sanction of conscience", the pleasure that comes from a sense of duty well done, and the pain comes from remorse of conscience.

Education and communication can be helpful in changing attitudes and values, but their capacity to do so should not be over-rated. Initially traditional values may be an impediment to behavioural change, but if the incentives for the latter are strong, behaviour does change and value changes often vary.

A value system is more a matter of perception for the top management or policy-making levels and may not affect the day-to-day operational levels in an organisation. Hodgkinson, while analysing the process of decision-making, finds the presence of internal value components in the decision-making process which thereby give it philosophical status. Administrators would find it useful to keep the question of value uppermost in their minds at the time of taking organisational decisions. A value system may be very useful in promoting the organisational interest as salient rather than the self or extra-organisational interests. A value system can also prevent opportunistic or doctrinaire slants to policy-making. Planning for economic growth is an extremely complicated exercise which presupposes deep administrative insights and a keen evaluative perspective in the administrators. Administrators have an important role in the process of planning and development administration. Bureaucrats and administrators have a big role in nation building. Administrators, in all developing societies, have to adopt the ideals and values of modernity. They have a wide zone of fluid values which they have to accept and cherish. The culture of politics in independent India has posed a definite threat to the bureaucracy's structure, values and

interests. In the new context, a closer identification with the masses is called for, the authoritarian tone of administration has also to change. Administration for nation building necessitates a different approach involving a new value orientation and a modified institutional set-up.

According to Yogendra Singh, the dominant traditional values of India are characterised by hierarchy, holism, continuity and transcendence.¹¹ After independence, the Western cultural values have led to the contemporary challenges in our cultural values. It implied intrection of the values of equality in place of hierarchy, of individualism as replacement of holism, of historicity in place of continuity and of techno-scientific rationalism in place of the principle of transcendence. India today is witnessing a fundamental revolutionary transformation. The introduction of western technological and institutional innovations, the adoption of Indian Constitution, mass mobilisation for independence and the adoption of adult franchise, new modes of communication and transport, high degree of mass exposure, planned economy, new legislations and institutions of justice, law and order, new forms of administration have all created conditions for a far-reaching revolutionary change in the value system in India. The new cultural values of egalitarianism, social justice, secularism, legal rationalism, democracy and planned transformation of society have created a crisis in traditional value system and now the old and new values co-exist in a random non-syncretic fashion. The conflict between the old and the new value systems poses a real challenge to the administrators and bureaucrats because the two have not been integrated or synthesised.

The general picture, however, continues to be one of twilight of transition; old values persist and new ones are being added to them.¹² In traditional societies, fundamental values encompass operative values and in modern societies, operative values encompass the fundamental ones. With operative values one evaluates activities in the context of a means and relationship. The fundamental values evaluate behaviour in terms unconditional in nature and not involving a means and relationship--these are ends in themselves. Operative values are amenable to rationality tests but fundamental values are beyond rational appraisal or scientific proof. The administrators believe in modernising values in abstract, but they find difficulty in the practice of these modernising values because of certain environmental factors and their unwillingness to do away with the authority accorded to them by tradition. In the words of Strauss, "the administrator is not a self-contained and self-regulating mechanism but an instrument for the furtherance of specific social interests and therefore intimately concerned with the world at large and

its problems.¹³

All societies today are caught in a massive upheaval of value system. The collapse of the values of the past has hardly gone unnoticed. Value turnover is now faster than ever before in history. While in the past, a man growing in a society could expect that its public value system would remain largely unchanged in his life time, no such assumption is warranted today, except perhaps in the most isolated of pre-technological communities.¹⁴ All value systems are now-a-days short-lived, more ephemeral than the value of the past. Most previous societies have operated with a broad central core of commonly shared values, but today we find diversification of values with the fragmentation of societies. Pluralistic societies are fast changing and losing their consensus on standards of conduct and manners. There is no evidence whatsoever that the value systems of the modern societies are likely to return to 'steady-state' condition. For the foreseeable future, we must anticipate more rapid value change. We are facing today 'colliding value systems'. A fast changing, developing society is likely to find fragmentation at the levels of values and life styles. The working of our minds and even more their subconscious reactions are to a far greater extent than most of us are aware, the resultant of our value system. No man can hope wholly to eliminate from his thinking the effect of his value system.

FACTORS INFLUENCING OR CHANGING VALUE SYSTEM

Throughout human history, the value system of society changed so slowly and so imperceptibly that seen from the vantage point of a single life time, it appeared to be unchanged. The advance of higher education, the discovery of new medical techniques, the proliferation of weapons of mass destruction, the expansion of the welfare state, the advance of automation, politico-economic equalisation, improvement in the means of transport and communication and the population explosion are some of the causal factors which can bring about gradual changes in the value system. A value change can come about either derivatively or directly. It is derivative when, for example, the value at issue is subsidiary or subordinate to another value and changes because this other value does so. For example, think of a complex value cluster (e.g., 'economic justice') and a subordinate value that represents a constituent element of this cluster (say, 'equality of opportunity'). At times, an upgrading or downgrading of one value will call a corresponding change in the hierarchical status of the other. A value change is direct when it comes about under the direct, immediate operations of causal factors, like ideological or political change, environmental change, economico-technological

change or change in information. National oriented values (patriotism, national pride), rationality, civic virtues, social welfare, social accountability, public service, egalitarianism, and secularism are some of the values which get upgrading when some one joins public services and gets the responsibility for administration. After independence, in the planning process of India, in the evolution of the public sector, in the impetus to the industrial development, in the mobilisation of external resources for the country's economic development, the imaginative efforts and initiatives of Indian administrators made a significant contribution and "can be identified as initiators of change and propagators of new ideas".¹⁵ The modern administrators of free India need to build a value system which comprises a cluster of modern values needed for a developing nation, such as the ethos of national unity, secularism and modernisation under a democratic and egalitarian social order and promotion of policies of non-alignment and peaceful coexistence in international relations. These ideals have not yet become the shared conscience of the nation and at times opinions have been expressed suggesting some changes in some of these values in content as well as in emphasis. The forces of integration, rationality, modernisation, religious tolerance and understanding have been sought to be replaced by passions of disintegration, orthodoxy, religious fanaticism, parochialism, and narrowness in outlook. The situation makes an urgent demand on our administrative and political system to work constantly towards safeguarding our values and commitment to secularism, modernisation and national integration ethos.

Value system is built up on the following factors:

1. Values inculcated in early childhood within the family;
2. Education;
3. Training;
4. Mass media, cinema, TV, newspapers and books;
5. Technological developments, high speed mass transit, computer, and contraceptives;
6. Environment;
7. Political system;
8. Religious and ethical thinking of the community;
9. Moral atmosphere; and
10. National culture, ethos and environment.

Mass media, democratic, polity, technological and scientific developments of the modern era would upgrade the values pertaining to physical well being, convenience in the style of life, self-respect, love, affection, friendship, reasonableness and rationality, con-

scientiousness in service to others, equality and civil rights, democracy, social justice, peace and reverence for life.

Concept of Administration

Administration is a very broad term and includes both public administration and private administration. But in this article, administration is mainly concerned with public administration. It can be broadly classified as follows:

1. Overall administration of the economy, the environment and political units (like states or districts).
2. Public utilities, for example, roads, railways, airports, electricity, etc.
3. Social service, for example, health, education, welfare, etc.
4. Scientific and technical services, for example, scientific and technological research, agricultural development, advisory services, etc.
5. Police, military and para-military services, for example, defence, police, prisons, etc.
6. Basic powers of regulation and assistance for example regulation of industries, regulations concerned with safety, health and security of citizens, etc.
7. Developmental administration including implementation of economic plans.
8. Financial management and fiscal administration.
9. Administration and management of political system and its processes, for example, conduct of elections.
10. Overall administration and management of human and other resources within a given political system.

The word 'administration' is quite complex and vague and can not be easily comprehended. Administration, according to Luther Gullick, includes activities of planning, organising, staffing, directing, coordinating, reporting and budgeting in a given administrative system. Administration is the ability and capacity of coordinating and controlling many and often conflicting, social energies in a single organism so that they operate as a unity. Administration is a dynamic art of the direction, coordination, control and management of many persons to achieve certain objectives and required goals. Administration is one of the most important instruments available to the government to achieve the goal of nation building and socio-economic progress. Administration is not merely execution of a given policy but includes helping to form it. Administration comprises the organised activities of the state for orderly social development measured

in terms of individual citizens.

Administration can be broadly divided into three levels:

1. Policy formulation at Secretariat (Centre or State) level;
2. Middle level administration (District level); and
3. Grassroot, field level.

Each administrator performs some basic functions, such as planning, organising, staffing, directing, coordinating, reporting and budgeting but the secretariat system is the nerve centre of the entire administration and the mainspring of all governmental activities.

Administration keeps the fabric of society intact. It is an instrument of ordering of human relations to help the individual in developing his individuality as a consistent, coherent personality and at the same time to achieve the same collective objectives. Administration can provide the patent catalytic force to harness the vast potential energy of the nation. Administration can be viewed as a game of chess, in which there are no right or wrong moves, but effective or ineffective moves. The administrator becomes an agent of performance. Administration in the modern world and, particularly in the developing countries, is no longer a static concept (law and order or revenue administration) but a dynamic one (rural and urban development, planning and projects, irrigation and energy). German sociologist Max Weber, the master theoretician of bureaucracy, spelled out four attributes of administrative bureaucracy. It was efficient, predictable, impersonal and fast. Weber stressed the importance of structures (authority, command and delegation) and specialisation in bureaucracy and recognised the importance of departmental hierarchy. The development which overshadowed administration in the past independence era are: (1) planning for economic development, (2) democratic decentralisation, (3) democratic socialism, (4) secularism, and (5) commitment to social justice and upliftment of the weaker sections of the society. The administrators today have to direct the scarce resources towards developmental goals if they manifest their beliefs in the broad societal goals of democracy and equality. These values have to form part of the administrator's philosophy and thinking for carrying out their burden of development administration. Every society gets the administration it deserves and the value system of the society is the value system of its administrators. In all democracies, we find 'representative bureaucracy' which reflects the ideas and the values of the society as a whole. Commitment and loyalty of administrators to particular organisations is a variable phenomenon depending upon such factors as social culture, career system, professional allegiance, and value system. The

administration can be analysed from both 'micro' and 'macro' approaches. Theories of the social system provide a 'macro' perspective upon administration whereas organisational theory offers a 'micro' perspective. Firstly and most basically, motives and values can be ascribed directly only to individuals and not to organisations and agencies.

Administration is culture bound because administrators are citizens drawn from the same cluster or members in society and they can not be therefore different from the average citizens except to the extent to which their organisational rules and conventions as well as personal training and supervision enable them to act differently. One of the principal uses of organisation, according to Simon, is to secure individual compliance with the value system and norms of the group. This can be called 'identification'. Organised society through identification 'imposes' upon the individual the scheme of social values "in place of his personal motives". Organisational structure is socially useful to the extent that the pattern of identifications which it creates "bring about a correspondence between social value and organisational value".¹⁶ The value system and the behaviour of administrative agencies vary greatly according to the nature of their staff resources and clientele, and of the political and professional groups concerned with their operations. Concepts of inner-democratisation, of administrative decentralisation and of delegation of authority and responsibility receive at best only lip service in many developing societies. P.R.V. Rao's study of a few important cases in his book *Red Tape and White Cap* shows that although rules are often framed specially to help the citizen, actual implementation of rules leads to greater injustice and hardship. Every official in administration is significantly motivated by his own self-interest even when acting in an official capacity. Officials have direct personal interest (in terms of power, income or prestige) in the survival and growth of the organisation or agency to which they belong. Anthony Downs has categorised officials into five categories, namely, conservers, climbers, zealots, advocates and statesmen. The first two types are wholly self-interested while the other three types combine self interest with attachment to successive broader policies of the organisation.

A Philosophy for Administration

The humanists emphasised the importance of 'human system' over the technical system in administration. Work motivation has been given due importance and the concept of Maslow's 'self actualisation' has become the end of the value system in administration. The humanists talk of 'satisfiers' and 'dissatisfiers' in human motivation. Import-

tant thinkers in this group are Mary Park Follet, Mayo, Argyris, Maslow, Herzberg and Douglas McGregor and Henry Fayol. H.A. Simon looked at administration as fundamentally a decision-making process. Chester Bernard was greatly concerned with the moral element in administrative behaviour linked with the concepts of responsibility and leadership. Management tools serve the organisational need better when the organisation is attuned to a value system for common good. In the 20th Century, the question of 'philosophy' of administration received attention in the writings of Chester Bernard, Geoffrey Vickers, Oakeshott, Peters, Simon, Thompson, Leys and Lassem. In 1958, Marshall E. Dimock brought out his book **A Philosophy of Administration Towards Creative Growth**. Values, not techniques (though techniques are important) are the eventual determinants of the actions of the administrators. An organisation seeks to identify social values with individual motives. To quote Peter Drucker : "the blending of institutional and individual values becomes the ultimate principle in administration". In 1978, Christopher Hodgkinson, published his book **Towards a Philosophy of Administration**. This book has given a very useful philosophy for the administrators. Karl Marx has analysed bureaucracy in the following words:

The general spirit of bureaucracy is secret, mystery, safeguarded itself by hierarchy and outside by its nature as a closed corporation....within bureaucracy the spiritualism turns into a crass materialism, the materialism of passive obedience, faith in authority, the mechanism of fixed and formal behaviour, fixed principles, attitudes, values and traditions.

Hodgkinson presents an analytical model of the value concept in which he presents three types of values: Type I: 'Transrational', Type II: 'rational' and Type III: sub-rational; and divides them into two components - 'rights' and 'good'. Transrational values are meta-physical in nature (examples: Code of Buddhism or Communism). Rational values correspond to humanism, utilitarianism and pragmatism. These values emphasise reason and compromise, prudence and expediency, and are therefore attractive to administrators. Sub-rational values correspond to reduction of behaviouralism and logical positivism. They are expressions of emotional preference. Hodgkinson has given three postulates which are characteristic of this value-system. Firstly, Types I, II, III values are superior in that order. Secondly, there is a natural tendency for values to lose their force over time. Thirdly, there is a natural tendency to avoid resolution of value conflicts. An administrator has to possess broad education, magnanimity, integrity, capacity for self propulsion, human sensi-

vity with a steady value-system. The professional sights of the administrators still stand in great need of elevation in both motives and methods. Administrators have to exhibit an integration of universal values, such as wisdom and reverence, honesty and integrity, devotion to human interests as well as those traditions which are favoured in the cultural stream of a particular civilisation. Administrators have to develop a sense of mission, an understanding of inter-relations and a compelling sense of overall objectives and values. Administrators, according to Mayo, need an increased quota of 'social skills' for modern management. He requires more promotional ability, more imagination and more integrative ability. According to Marshall E. Dimock, to be an administrator, at the highest level of organisational leadership, requires first a philosophical cast of mind accustomed to generalising, a high intelligence, a free-ranking imagination, a willingness and an ability to entertain new ideas and a certain adventuresomeness.¹⁷ An ability to deal with men, good judgement, a willingness to assume responsibility, a facility for inspiring team work, a concern for bringing into administration, the democratic spirit, an appreciation of social, economic and political relationships, perseverance, drive and inclination are some of the social skills needed for our administrators. According to Simon, there is no place for ethical assertions in the body of administrative science; that there is an 'administrative man' who is comparable to 'economic man' and that administration is concerned with the maximum attainment of administrative objectives with 'scarce means'.¹⁸ An able administrator has to plan for the future keeping into consideration the tempo of modern life and the rapidity of social change. He has to look twenty years and more ahead and management planning must be increasingly projected ahead in order to keep up pace with change. According to Peter Drucker, practically every basic management decision is a long-range decision - with ten years a rather short time span in these days.¹⁹ Administrators need to develop more administrative skills in coordination and integration.

The problem is to find the common element in today's and tomorrow's decision, how to reconcile conflicting demands, how to keep pace with the tempo of change--all this requires integration. The integration of a cultivated, wise and penetrating mind. In all democracies, administrators are ultimately open to public challenge, criticism, scrutiny and pressures. Administrators operate the levers of power in very subtle and anonymous manner. Administrators are expected to be 'neutral' which includes within itself anything like impartiality, anonymity, obscurity, and political aloofness. The concept of neutrality, in its positive perspective requires that the administrator must be in tune with the public opinion and changing

needs of the society. No administrator can possibly take a neutral position between welfare and stagnation, between service and apathy and between action and inaction.

During the last 25 years, there has been a change in the structure of values and attitudes but this change is characterised by ambivalence both to tradition and to modernity. In point of fact, a new set of attitudes and values are super-imposed on the traditional value-attitude system. Administrators have to develop a new political responsiveness and commitment in developing societies. The public administrators have to be committed to the ideals of democratic, socialist, secular republic. Shrimati Indira Gandhi held that "only a committed bureaucracy in place of old, indolent, passive, apathetic and political one could possibly bring out the desired change in the country" (*The Hindustan Times*, New Delhi, December 1, 1969). But in most of the developing countries administrators remain concerned with the grabbing of power in their own hands. In every bureaucracy we find place hunting, a mania for promotion and better postings, and obsequiousness towards those upon whom posting and promotion depend. There is arrogance towards inferiors and servility towards superiors. They at times became hand maid of the politicians. The administrators must operate within a liberal democratic framework in sincere cooperation and harmony with the norms and values of a social welfare state.

ADMINISTRATION IN DEVELOPING COUNTRIES AND THE RIGGSIAN CONCEPT OF ADMINISTRATIVE SYSTEM--'SALA'

Fred W. Riggs has identified five functional requisites for any society--economic, political, symbolic, communicational and social. The developing societies of Asia, Latin America and Africa are facing multi-dimensional problems--political (legitimacy, political structure and infrastructures, law and order etc.); economic (eradication of poverty, disease, hunger, industrial growth, etc.); social (class confrontation, social upheavals, etc.); and administrative (developmental paradoxes). These developing societies, according to Fred. W. Riggs, are sociologically speaking transitional societies which are main characteristics of 'prismatic societies'. According to Riggs, in prismatic societies "a discrepancy exists between the prescriptive and descriptive, between formal and effective power, between the impression given by the Constitutional law and regulations, organisational charts and statistics and actual practices and facts of government and society."²⁰ The administrative system of such a society has been termed by him as 'Sala' which inherits the salient features of prismatic societies like 'formalism', 'heterogeneity' and 'over-

lapping'. Formalism refers to "the degree of discrepancy or congruence between the formally prescribed and effectively practised norms and realities".²¹ Riggs has very clearly indicated that actual official behaviour does not correspond to any legal statutes. In such an administrative system, he finds 'heterogeneity' which refers to the simultaneous presence side by side, of quite different kinds of systems, practices, and view-points. Modern gadgets of administration like computers, electronic typewriters, western styles of modern office equipments, exist side by side with traditional systems of administration like village chowkidars who combine various duties of executives in them. There is overlapping--a social schizophrenia of contradictory, formal (conscious) and informal (unconscious), behaviour patterns. New values and norms generally associated with modern advanced countries are paid only lip service and overlooked in favour of older values of 'nepotism' 'poly-communalism' and the 'prismatic bazar canteen model'. Nepotism and favouritism are practised in practice but officially proscribed. Public officials favour the people of their own group in matters of recruitment, promotions, postings, transfers and administration of rules. Ethnic, religious and communal groups live in a relatively hostile interaction to each other. In such an administrative system, the economic organisations generally act like a subsidised canteen providing goods and services at lower rates to the members of the privileged groups. There is a state of 'price indeterminance' because higher prices are charged from the members of the 'outside groups'. It results in considerable bargaining on the amounts of financial dealings with regard to such areas as taxes, fees, rebates and bribes. Public officials, although claiming to follow objective, universalistic and achievement oriented practices actually follow more subjective modes of conduct and there is lack of consensus or what has been termed as 'poly-normativism'. Similarly, the officially sanctioned or legitimate power and control exist at different places and 'power distribution' is highly concentrated at a certain place. Riggs has observed that there is an inverse ratio between administrative output and bureaucratic power; the more powerful officials become less effective as administrators.²² Riggs concept of 'Sala' (Administrative system) can be conveniently applied to Indian Bureaucracy particularly at the district level as many conditions enumerated by Riggs actually exist in these settings.²³ In India, 'poly communalism' is best exhibited through the presence of caste, religious and political loyalties. Nepotism can be found in administration in matters of appointment, promotions, transfers and rewards. The value system of the administrator and the civil service is essentially built up in response to the public image of the public administration. The values like

equity and propriety are highly prized in western liberal democracies but these are not so prized in the developing countries of Asia, Latin America and Africa. Certain new problems of administration arise in democratic societies where culture, traditions, societal norms and politico-economic system give rise to a particular value system not oriented to developmental administration. In economic development, as in other fields of national activity, there is a disconcerting gap between intention and action. To bridge this gap, far-reaching changes have to be boldly introduced in administration. In words of Shrimati Indira Gandhi, there is an urgent need to instil into government machinery greater efficiency and a sense of urgency, and make it more responsive to the needs of the people.²⁴ In a transitional society like India, some of the bureaucratic maladies concerning administrator's attitudes which impede effective development administration are as under:

1. Lack of initiative and imagination.
2. Inaccessibility and faulty handling of the public.
3. An over devotion to precedents, arrangement and procedures.
4. A failure to recognise the relations with other segments of polity as an essential part of the democratic process.
5. An indifference towards the feeling and convenience of individual citizen.
6. An excessive sense of self importance.
7. Corruption and illegal qualification at lower levels.
8. Laziness, apathy to punctuality and lack of sincerity.
9. There is ignorance of rules and procedures at lower levels and there is arrogance and tendency to harass people.
10. Citizens are not given due respect and consideration by administrators particularly at lower levels.

Administrative Accountability

Administrative accountability is the kingpin of democratic administration. Administrators, in a democratic context, need to temper their professional judgement with an awareness of citizens preferences. Administrators have to be accountable to themselves in terms of values and norms of a professional class as a whole. Accountability is not dehydrated mechanistic, philosophical concept in the flux of the human affairs, but a dynamic concept in terms of ethical imperatives of administrative conduct. Accountability, like electricity, is difficult to define, but possesses qualities that make its presence in a system immediately detectable. Hierarchy, span of control, unity of command, inspection, supervision, etc., are well known accountability facilitating devices. In actual realities, many pub-

lic officials have been found to be guilty of non-feasance, malfeasance and over-feasance. By non-feasance is meant that officials have not done what the custom or law requires them to do owing to laziness, ignorance or want of care for their charges or corrupt influence. Malfeasance means that a public duty is performed with waste and damage because of ignorance, negligence, and technical incompetence. Over-feasance occurs when an official duty is undertaken beyond what law and custom oblige or empower. It may occur out of dictatorial temper, vanity and ambition of an official or his genuine, sincere, public-spirited enthusiasm. The public officials must be held accountable for any of these three activities. In a democratic government, public officials have political, legislative, financial, judicial and normative accountability. Public administrators in a democratic system have to remain accountable to the press and other mass media. The concept of administrative accountability is culture-oriented. The norms of administrative behaviour constitute the values affecting the accountability of public officials. Public interest is a continually changing outcome of political activity among individuals and groups within a democratic political system. As Harmon has shown, four sets of conflicting values regarding the public interest can be compared by viewing the 'public interest' as: (i) unitary or individualistic, (ii) prescriptive or descriptive, (iii) substantive or procedural, and (iv) static or dynamic.²⁵ When government enters into business and undertakes commercial activities, new problems of administrative accountability of the managers arise. The nature of the political structure, the nature of societal organisation, nature of political culture, level of popular expectations, value system of the public and the levels of administrative morality basically determine the nature of accountability to be found in a political system at a particular point of time. Accountability is closely linked with specific social context and the power relations in a society. Research has proved that the blood and flesh of accountability is provided by social status of the clients of public agencies. Pai Panandikar has rightly observed that "a large majority of big cultivators had received a sympathetic consideration to their problems from the officials when they had met....The first preference of the visiting officials in meeting the people was for big cultivators and the second preference for local leaders and influential persons".²⁶ The accountability of the public servants in India encompasses three categories of control mechanism: (1) external system controls, (2) Internal system controls, and (3) internal individual controls. The individual control mechanism is composed of such things as the bureaucrat's attitude towards the law, the value placed upon each individual as a human being and the general personal moral

hierarchy. Public accountability has the positive connotation in terms of achieving results and serving the vital interests of the public. Public accountability is a matter of value system and is reflected by every act of the public servant.

Bureaucratic Values in India - Some Empirical Research Studies

A rapidly developing country, committed to the ideals of democracy, secularism, social justice and economic planning, is bound to have emphasis on nation building and socio-economic progress. The crucial question that emerges is whether the traditional bureaucratic structure and behavioural values and norms are contradictory or complementary to the requirements of a developmental administration. A voluminous study undertaken by Ralph Braibanti and others on "Asain bureaucratic system" in 1966 had clearly shown that the British values still continue to set the tone of bureaucracy in India and there had been no radical departure in their behaviour from the pre-independence norms.²⁷ Kuldeep Mathur in his survey of block development officers in Rajasthan and Uttar Pradesh has noticed that much of the bureaucratic pursuit was directed towards activities other than the achievement of developmental goals.²⁸ A recent study by V.A. Pai Panandikar and S.S. Kshirsagar has revealed that the administrators involved in the task of development at the field level tended to be less rigid and behaviourally more flexible than the administrators at headquarters, while the bureaucracy in a regulatory and non-developmental agency tended to be more rigid and behaviourally less flexible.²⁹ Ramashray Roy has revealed that officials, engaged in the agricultural development in the Mehsana district of Gujarat, were found generally to have structural properties of the organisation modified to suit their role effectively and efficiently.³⁰ H.R. Chaturvedi held that a radical change in the orientations, attitudes and value system of the administrators is needed for the transformation of the rural society.³¹ N.K. Singhi has found that there is dissonance between the defined goals and the rational norms of bureaucracy and the value orientation of the bureaucrats.³² The bureaucrats reveal ambivalence and contradictions in values which is the result of the twin processes of traditionalism and modernity in India. Administrators find a lack of compatibility between the goals of socialism, democracy and rationalism. Though there are ills like nepotism, favouritism, graft, and corruption, yet half of the administrators feel high satisfaction with their jobs, nature of work, prestige and power. According to N.K. Singhi, the realisation of an effective welfare society based on justice, equality, and democracy needs new values, structures and high commitments to goals of national restructure. Prem Lata Bansal in her empirical research on

Indian Administrative Service indicates that a majority of administrators are developmentalists but the level of their commitment to modernising values is low. Much of the India's development depends upon the value system and attitudes of the top administrators towards developmental values. About 57.5 per cent of the administrators view democratic institutions and processes favourably.

The IAS officers having over 7 years of service experience are more democratic than those having a service of less than 7 years.³³ The value of equality has penetrated more amongst administrators who have entered the service, either through regular competitive examination or by selection and those whose parents form the middle class. According to survey, 62.5 per cent of the administrators, believe that authority should be delegated as needed. The study shows that the longer the stay in the administration the more one becomes suspicious of others probably as potential threat to one's own powers and authority, in a democratic set-up. The study indicates that the modernising values are penetrating into the IAS with only limited impact on those officers whose thinking is retrospective and whose acceptance of the new order is slow. Stanley Higginbotham has studied the impact of cultural environment and the prevalent value system in a society on the bureaucratic behaviour.³⁴ According to Stanley Higginbotham, rules, regulations, procedures, control mechanism and basic management practices have remained essentially unchanged over the past 25 years and bureaucrats still relied on authority and prestige of office in dealing with citizens. However, no comprehensive study has so far been made on a macro-level of the value system of the administrators in India and there is a need for enquiry into the value system of the administration in India. Dharendra K. Vajpeyi has carried out an empirical research about the patterns of changes in the bureaucratic values in the three geographically and economically diverse states, Madhya Pradesh, Tamil Nadu and Uttar Pradesh and has given very interesting findings.³⁵ The research data show that Indian administrators demonstrate continuity in political culture, that is, a high sense of national identity, trust of government, belief in freedom, moderate sense about class consciousness, belief in equality and high to moderate political effectiveness.³⁶ It is due to this value system which is characterised by democratic temper, dominance of civil procedures for conflict management, orderly political succession, diffuse political trust among social groups and reasonably strong and stable regime loyalties that India has survived as a strong, secular democratic nation in spite of internal turmoils, external wars, economic chaos and super power manipulations. This integrative value system has been a key variable in stabilising India through political change since Independence.³⁷

These values have to be internalised and transferred to all levels of administration in India. A number of other researchers have also reported prevalence of similar values and bureaucratic behaviour in India.³⁸ Another research study reveals that "57.5 per cent administrators view democratic institutions and processes favourably. Almost 27.5 per cent administrators are certain or strong in their beliefs in democracy. About 56.25 per cent of the administrators think that the public administration will be more effective if politicians leave administrators to decide what and how to carry out programmes".³⁹ The study further indicates that the administrator's belief in democratic principles is a resultant of the environment in which he operates rather than his predisposition towards democracy. According to the above referred study, 66.25 per cent of the administrators view that the provisions to provide equality of opportunity to the citizens of India, including the provisions of special privileges for the socially depressed classes, are good. The study further reveals that 92.5 per cent of the administrators are positively inclined towards trust and 78.75 per cent are strong on the dimension of modernity. It also shows that longer the years service, the more one becomes suspicious of others probably as a potential threat to one's own powers and authority, in a democratic set-up. As much as 57.5 per cent of the administrators believe that the employee jurisdiction should be properly defined.⁴⁰

A syndicate group of senior police officers at S.V.P. National Police Academy, Hyderabad, conducted a survey about the value system of the subordinate ranks of police, i.e., Sub-Inspectors and Inspectors belonging to four functional groups in three different states. The significant conclusions of the research study are as under:

1. There is a significant difference between the police and civilians in all the groups of the study which may probably account for the existing rift between two groups.
2. 'National Security' has been rated as the most important value.
3. Level of education has a significant effect on the value system.
4. There is uniformity in perception by all groups regarding the need of wearing uniform by police personnel.
5. Police officers felt that Press coverage of police work and problems is inadequate.

Another research survey has proved that administrators in India whether engaged in developmental or non-developmental tasks share the same values and role-perceptions. Among the behavioural values which

seem to be most cherished amongst the administrators have been the strict observance of codes, rules and regulations and adhering to the rationality in decision-making. In India a majority of administrators show less orientation towards change and achievement of development targets due to authority-oriented administrative system. The value constellation of the administrators in India reflects the ethos and value system of the society from where the administrators are recruited. A majority of administrators show a high orientation to the clubbed values of structural characteristics of bureaucracy like hierarchy, rationality, anonymity and rational legal, authority. The public servants and administrators in the developing countries are not mere 'brokers' or 'middlemen' but 'missionary', teachers, exemplars, planners, politicians and social workers. Developing nations require a bureaucracy which is adaptable but not unprincipled, idealistic but not unrealistic. Administrators must keep 'public interest' as their prime consideration. Public interest is a texture of multiple strands - too comprehensive, too rich in variety and depth, and too penetrating in our complex life to be either escaped or canalised in a definition. In a free democratic society public servants must always aim at realisation of public interest. Lok Sabha Speaker Balram Jakhar has said, "An administrator has to be accessible at all times to the people. He can not isolate himself in an ivory-tower. He has to have a healthy respect for the people and people's institutions from the village panchayat to Parliament". The administrators have to develop an outlook conducive to rapid pace of development without sacrificing criteria of fairness, just distribution and allocation of resources with an overall object of economic progress. Administrators need a framework of socio-personal, socio-administrative and behaviour value patterns which: (1) are flexible in operation, (2) are pragmatic, i.e., able to take into consideration the exigencies of the circumstances from a practical point of view, (3) encourage open decision-making processes on democratic lines, and (4) are laden with human values of service and sympathy for the people.

A CLOSE LOOK AT THE VALUE SYSTEM OF INDIAN ADMINISTRATORS

Some important variables of the value system have been analysed by Dhirendra K. Vajpayee⁴¹ who in his findings has noticed that despite political and administrative problems, administrators have high pride in political and administrative leadership, social legislation, spiritual values and religion as can be seen in Table 1. Despite ideological and political differences among Indian political parties and politicians, administrators in India have accepted democratic insti-

tutions and practices in an unusual consensual manner as can be seen in Table 2.

A majority of administrators have confidence in major political institutions like Parliament/legislative assembly, judiciary, local government and political parties. Most of the administrators felt that social and political system was in fine shape. The 1976 data demonstrate that Indian administrators at the state level (48 per cent in MP, 51 per cent in Tamil Nadu and 56 per cent in UP) and district level (43 per cent in MP, 48 per cent in Tamil Nadu and 48 per cent in UP) were satisfied with democratic system. However some administrators believed that the democratic system was inefficient, corrupt, not suited to India and went against the traditional socialisation patterns which are, by and large, restrictive and authoritarian, e.g., decision-making process in a family, respect to authority, age, etc. Administrators in all the three states favoured the participation of weaker sections in the political process and having rights to enjoy equal opportunities in educational and cultural spheres. Attitude towards participation of weaker sections is given in Table 3.

The administrators exhibited a high level of trust in other people. In all the three states administrators felt that rich people benefited a great deal from the government. Administrators in many cases admit that few interests dominate and benefit from the government. In India administrators in all the three states and district levels possessed a high sense of civic competence as can be seen from Table 4.

Administrators in India have preference for strong leadership. Administrators believed that freedom is not a licence and hence should be restricted in the national interest. Value system of Indian administrators is based on the culture of superior subordinate relationships with a clear allocation of rights and duties across the boundaries which determine the social hierarchy. Indian value system is based on ruler subject relationship all wielders of power were to remain aloof, father from their sons, teachers from students, rulers from subjects and bureaucratic from petitioners. In Indian administrators there is a higher empathetic capacity as can be seen by Table 5.

In India exposure to the mass media is an important variable in the process of modernisation. Newspapers, radio, films magazines, journals and TV provide powerful influence upon administrators. Table 6 shows that a high percentage of Indian bureaucrats were exposed to mass media.

In India a high percentage of state and district level administrators were modern in their perception of time in relation to the

Table 1 RESPONSE TO THE QUESTION: GENERALLY SPEAKING, WHAT ARE THE THINGS ABOUT INDIA THAT YOU ARE PROUD OF?

System Pride		1976						1981						(per cent)
		MP			TN			MP			TN			
		Sta- te	Dist- rict	Sta- te	Dist- rict	Sta- te	Dist- rict	Sta- te	Dist- rict	Sta- te	Dist- rict	Sta- te	Dist- rict	
1. Political Institutions	58	61	53	50	60	56	55	57	56	53	63	59		
2. Spiritual Virtues and Religion	62	64	60	63	60	61	64	64	61	63	66	64		
3. Characteristics of People	63	60	54	51	51	53	59	61	63	62	56	54		
4. Physical Attributes of the Country	76	79	73	75	78	81	80	83	78	76	81	82		
5. Social Legislation	19	17	21	21	12	16	19	19	23	22	17	19		
6. Political Leadership	29	31	27	23	36	32	31	31	30	29	30	31		
7. Administrative Leadership	49	53	51	54	45	51	52	55	55	57	59	61		

Table 2 RESPONSE TO QUESTION ON DEGREE OF SATISFACTION WITH DEMOCRACY

Democracy is	1976						1981		
	MP			UP			MP		
	Sta- te	Dist- ric	Sta- te	Dist- ric	Sta- te	Dist- ric	Sta- te	Dist- ric	Sta- te
1. Best form of Government (Satisfied)	48	43	51	48	56	48	46	41	48
2. Another form would be better (not satisfied)	41	46	39	43	38	41	41	47	41
3. Undecided	10	10	8	7	6	10	12	11	10
4. Don't know/No answer	1	1	2	2	-	1	1	1	1
Total	100	100	100	100	100	100	100	100	100

(per cent)

Table 6 LEVEL OF EXPOSURE TO MASS MEDIA

Level of Exposure	1976						1981					
	MP			TN			MP			TN		
	Sta- te	Dist- ri	ct	Sta- te	Dist- ri	ct	Sta- te	Dist- ri	ct	Sta- te	Dist- ri	ct
High	76	72	77	73	78	71	76	73	77	72	79	71
Medium	14	12	17	19	10	13	12	18	11	14	17	15
Low	10	16	6	8	12	16	12	9	12	14	4	14
Total	100	100	100	100	100	100	100	100	100	100	100	100

(per cent)

modernisation and social change. The complex process of modernisation assumes a service of inter-penetrating and inter-dependent transformations. It assumes rationality, empathy, mobility and high participation by the individuals. Modernisation assumes directed change in the system of attitudes, beliefs and values and also in the institutional complex, to enhance the acceptability of modern technology and its organisational and operational framework. As regards secular outlook of administrators, majority of administrators felt that there should be separation between the state and the religion as shown in Table 7.

In spite of changes in the outlook of administrators towards political culture, fatalism is still somewhat dominating value in administrators. Fatalism is an ethos of passivity and breeds inaction, apathy, superstition, irritational behaviour and pessimism. The level of fatalism found in administrators in India is given in Table 8.

In post-Independent India two different value systems operate at different levels of Indian society. One value system permeates local politics, both urban and rural, local party level and local administration. It is permeated with traditional elements and values. The second value system predominates in Delhi and can be found among Indian planners, many of the national political leaders, and in the senior administrative cadre. This modern value system believes in national integration, secularism, socialism and democracy. In India there is coexistence of both value systems in administrators. Narrow self-interest or family obligations motivate most administrators who pay primary attention to particularistic ends rather than to collective goals. However, a positive change in the value system of administrators towards modernising values is discernible though the degree of commitment is much below the level to be reflected in their behaviour. Administrators believe in modernising values in abstract terms but they find difficulty in the practice of these modernising values because of certain environmental factors and their unwillingness to do away with the authority accorded to them by tradition.⁴² Administration in India is carried out by a large number of officials at various levels and there are individuals with different value systems all working together at their respective area of work. From the stand point of socio-economic and political dimensions of values and attitudes, administrators can be very broadly identified into following five basic types of administrators.⁴³

1. A radical state socialist, sub-due civil servant.
2. A liberal democrat, supporter of the civil service and free economy.

Table 7 SEPARATION OF RELIGION AND STATE (SECULARISM)

Responses	1976						1981						(per cent)						
	MP			TN			UP			MP				TN			UP		
	Sta- te	Dis- t-	Sta- te	Dis- t-	Sta- te	Dis- t-	Sta- te	Dis- t-	Sta- te	Dis- t-	Sta- te	Dis- t-		Sta- te	Dis- t-	Sta- te	Dis- t-	Sta- te	Dis- t-
1. Agree	48	46	48	42	50	45	50	47	49	44	50	43							
2. Agree with qualifications	41	34	36	38	32	29	23	18	24	27	26	23							
3. Disagree	6	10	14	16	12	10	21	19	18	17	14	18							
4. Disagree with qualifications	3	6	2	3	4	10	4	12	8	11	6	15							
5. Undecided	2	4	-	1	2	6	2	4	1	2	1	1							
Total	100	100	100	100	100	100	100	100	100	100	100	100							

3. A moderate, democratic rationalist civil servant.
4. A conservative, socialistic authoritarian democrat.
5. A civil servant with equivocal transient attitudes.

Administrators in India due to the internal and external environment seem to be hampered in their effective performance. Corruption seems to be all pervading and has afflicted the polity at various levels of administration. Corruption is surely prevalent in every society and in every age, the difference being its dimensions. The Prime Minister Rajiv Gandhi has acknowledged in a recent interview with an American Quarterly Chief Executive that "the real problem is the massive corruption at the bottom".⁴⁴ Administrators in India are governed by a given set of rules regarding their conduct, integrity and behaviour. Administrators are liable to disciplinary action if they are found guilty of misconduct or negligent in the discharge of their duties. Administrators are required to project their public image of impartial and honest functionaries and develop an attitude of "client-orientation".

Value-Orientations of Administrators

Human values are the driving force of behaviour and refer to those aspects of the individual's orientation which commit him to the observance of certain norms, standards and criteria for selection. Dr. Narendra K. Singhi has analysed some aspects of value-orientations of Indian administrators.⁴⁵ According to the data, 70.8 per cent of the administrators agree with the statement that "caste system is a drag on the forces of development". The studies by Srinivas and Harrison also support the view that with democracy and freedom, caste loyalties have not vanished.⁴⁶ Regarding Marriage, 54 per cent of the administrators agreed with the statement that the best form of marriage is by free choice of boys and girls whether within caste or outside. Regarding value-orientation in relation to political commitment, 62.6 per cent of the administrators considered democracy to be harmful in present socio-economic situation of the country. It clearly indicates that administrators who are responsible for carrying out the policies of the democratically elected leaders are not committed to the value of democracy. According to N.K. Singhi, it is found that 59.0 per cent of the non-technical bureaucrats and 68.3 per cent of the technical bureaucrats consider democracy to be harmful in the present-day society.⁴⁷ 56.2 per cent of the administrators agree with the statement that "all economic troubles of our nation have been caused by emphasis on socialism and public sector which has no incentive for economic investment and growth". It is significant to note that value orientations administrators are in contradiction

with the policies of the government. There is low perception in administrators regarding allocation of work and on competence and rational method of selection. Relations in administrators tend to be formal though informality exists in patches and subsumes parts of bureaucratic system. Regarding transfer of administrators 79.1 per cent have agreed with the statement that transfers of officers are motivated by factors other than administrative efficiency. Value orientation with regard to planning is significant in India where planning is aimed at improving the standard of living of the people through measures which promote equality and social justice. To the statement that means of planning and development undertaken by the government are defective, 75 per cent of the administrators according to Singhi gave the reply in affirmative. As much as 81.2 per cent of the upper, 74.0 per cent of the middle and 70.5 per cent of the lower bureaucrats consider means of planning to be defective. Defective formulation of plan, lack of resources, defective execution and institutional limitations have been identified as some of the most important reasons for the failure of plans in India. In order to bring out effective implementation of economic plans, a change in the outlook and approach of administrators is necessary. Such new norms do not appear to have emerged because these administrators, having resistance and reservations, doubts and cynicism pose some important problems for the formulation and implementation of government programmes.⁴⁸ Administrators must have the required talents as well as will-power to execute the plans effectively and for this re-socialisation and inculcation of new values, in consonance with the tasks of development are necessary pre-requisites. Administrators in India have exhibited universalistic orientation with regard to conscious and ethical self. At the level of protective self, they reveal high particularism. There is significant inconsistency between the responses at the three levels of consciousness. At the ethical level 84 per cent have universalistic orientation. At the level of projected self 77.4 per cent of the administrators have particularistic orientation. At the level of conscious self 62.3 per cent have universalistic orientation. Administrators in India are under the double impact of traditional forces and modern pressures. They tend to be ambivalent to their value-orientations due to turn pressures of traditionalism and modernity. The growth of representative and democratic institutions have accompanied modernisation in many countries but in India, the old tradition and culture is continuing to assert their influence on the administrators. There is dissonance between goals and rational means of bureaucracy and value orientation of bureaucrats which are ambivalent, complex and contradictory.⁴⁹ Administrators in India have developed a sub-culture although only a

few studies have dealt with some aspects of sub-culture and style of the administrators. The culture of administrators in India does not reflect the mass culture. The gap between the masses and the administrators continues to exist, sub-culture of bureaucrats is an urban middle class sub-culture having certain new elements of western culture. The material sub-culture of administrators is more universalistic and modern though some traditional feudal elements have been amalgamated within its fold without any strain of fusion and thus a new sub-culture of administrators continues to exist. There is crisis of values in administrators because there is decline in moral standards. A large number of administrators at various levels are reported to be inefficient, incompetent and ineffective. Formation of cliques and groupism, improper procedures, lack of initiative, lack of competence, lack of coordination, too much work, communalism, groupism and political factors are considered some of the main factors responsible for dysfunctions of bureaucracy in India. By and large Indian administrative system has exhibited an inclination to keep the Weberian bureaucratic characteristics both in the developmental and non-developmental tasks. The four structural characteristics of bureaucracy, namely, hierarchy, division of labour, system of rules and impersonality continue to exist predominantly in the various branches of developmental and non-developmental administration. More than 50 per cent administrators attach high importance to the system of rules and impersonality. In Indian ecology enormous disparities arising out of caste and class structures exist giving rise to a pattern of administrative sub-culture which is based on traditional norms, social pressures, political interference and economic considerations. There is however an overwhelmingly high degree of consensus about a high value to the integrity of character among the administrators at all levels. Regarding socio-administrative value, it has been found that the senior officers are generally more or less quite conscious of their status and keep distance from their junior officers. Change and result-orientation of the administrators, which are the important characteristics of developmental bureaucracy for bringing about successes in socio-economic development performance, does not seem to be deeply ingrained in most of the officials at various levels of administration. The psychological hiatus between the administrators and the citizens is very much present in India. Citizens feel that the administrators had to be pressurised through political leaders to get their just demands fulfilled. Value system of administrators in various states does not correspond to any given set pattern, and there are clearly perceptible inter-state variations. In India there are significant differences in the value perceptions of the administrators belonging to different states. R.B.

Jain and P.N. Chaudari have clearly brought out a comparative study of the bureaucratic values, orientation and behaviour of the administrators of two different states, namely, Punjab and Madhya Pradesh. A majority of administrators show a high orientation to the club-bed values of structural characteristics of bureaucracy and less orientation towards change and achievement of development targets. At the district and block levels, the administrators wield enormous power and prestige. If given proper training and appropriate orientation, an administrator can truly become an organiser, a leader, a pathologist, an expediter, a specialist, a reformer and a change agent - all rolled up in a single personality. Administrators have to develop a result-oriented value system without becoming corrupt. Minor deviations in terms of taking minor advantages and fringe benefits are widespread phenomena even amongst the officials who are considered relatively upright and honest. There is status consciousness among the administrators and it extends even to their wives and children. The gap between the administrators and citizens, though narrowed during the last 35 years, yet continues to be wide and there is an urgent need to bridge the gap.

Value System in Administration can be Changed by Adopting the following Agenda for Improvement:

1. A change of heart of public administrators in order that they cease their self-serving behaviour and become true public servants.
2. A moral revolution which should lead to the suppression of corruption and the bureaucratic rot.
3. Strengthening of rationality as an organisational value.
4. Implementation of existing proposals for administrative reforms.
5. Unification and professionalisation of the bureaucratic elite by de-emphasising the generalist principle and incorporating top level specialists and professionals for strengthening administrative capabilities.
6. Transformation of the image and style of the public bureaucracy so as to emphasise dedication to social goals, identification with the aspirations of the public and personal integrity.
7. Though bureaucracy will always be vulnerable to political pressures, norms will have to be evolved to protect the officials from penalties imposed on them because of their failure to accede to the unreasonable demand of the politicians.
8. The relationship between the administrators and the politicians needs to be re-examined and sharply defined in realistic

terms.

9. Administrators should be better sensitised to the socio-political climate and the cultural ethos in which they have to function.
10. The administration will have to devise objective indicators of merit, efficiency, integrity and honesty to guide the selection and promotion of bureaucrats.
11. Through careful reorganisation and better training, the structural incompatibilities and the value conflicts in bureaucracy should be eradicated.⁵⁰
12. Specialised training in human relations, development administration and managerial skills will have to be imparted to detect the pathologies and dysfunctions of administration so that necessary correctives to them may be devised.

Administrative orientation must shift from making decisions and giving orders to helping the people make decisions.⁵¹ The administrators have to develop a new value system which was enunciated by G.B. Pant, a former Union Home Minister in the following words: "To serve the villages you have to identify yourself with rural life; to find joy in the air you breathe and consciousness of the fact that you are engaged in the act of building a new society. You have to train people in the art of life and in the art of living. You have to see that they move onwards".⁵² The First Five Year Plan has envisaged that "the civil servants must have the right outlook and the right attitude to fulfil the many demands of public service". The right outlook and attitude include qualities of integrity, humility, purposeful zeal for public service, adaptability to the demands of each function which a public servant may be called upon to perform and a commitment to broad societal goals. The problem of attitudinal adjustment of the administrators, too has come to the fore.⁵³

CONCLUDING REMARKS

"The search for values has to be a continuous process, accompanied by a constant endeavour to lead lives approximating to those values. Value merely perceived is value-less. It must be lived".⁵⁴ The administrators have to rededicate themselves to the values of hard work, discipline and the pursuit of clearly perceived objectives of economic growth and social justice. Administrators must have a keen perception of the future and be sensitive to change. Administrators have to go, all out to regain the people's trust and to look into the genuine hardships and grievances of the citizens to establish a democratic society. Administrators can best prepare for the future by

developing minds which are free from prejudice and which override divisive bonds of caste, creed, religion and language. All administrators have to develop a positive attitude towards the problems of the common people. They must possess a certain flexible outlook in administration. In the tasks of nation-building and modernisation of transitional societies, administrators have a vital role to play. Attempts have been made at reorienting the value system of bureaucracy to the new philosophy of administration, but they have often been viewed as mere short-lived fads and fancies. Administrators and all public servants, according to Pandit Jawaharlal Nehru, are supposed to serve, the society, people and the country. They have to serve the larger causes that society has, that the nation has. (*Indian Journal of Public Administration*, October-December 1955, p. 289). Administrators in a democratic country like India should learn to be the servants of the people and not behave as if they were masters. This requires internalisation of a new value-system in which administrators are committed to the national objectives and responsive to the new needs and aspirations of the people. The essence of a good government is efficient administration. Pope has rightly remarked:

For forms of government, let fools contest,
whatever is best administered is best.

According to Shrimati Indira Gandhi, what India needed today was a revolution in the administrative system without which no enduring change could be brought about in any field. India today needed a new administrative sub-culture which is goal-oriented, effective, democratic, secular and yet flexible and dynamic. In a rapidly developing country like India, Administration has to be effectively geared to the goals of socio-economic development and nation-building on the sound principles of secularism, socialism and democracy. Administration needs goal-oriented, innovative and efficient administrators which practise the cherished high values of integrity, honesty and public service.

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 4. A world at peace (Free from war and conflict);
 5. A world of beauty (Beauty of nature and the arts);
 6. Equality (brotherhood, equal opportunity for all);
 7. Family security (Taking care of the loved ones);
 8. Freedom (Independence, free choice);
 9. Happiness (contentedness);
 10. Inner harmony (Freedom from inner conflict);
 11. Mature love;
 12. National security (Protection of the country);
 13. Pleasure (an enjoyable, leisurely life);
 14. Salvation (Moksha, eternal life);
 15. Self respect;
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 17. True friendship; and
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Housing for the Poor

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EVEN A casual glance at the present housing situation in the country would reveal that the gap between demand and supply is lengthening at an alarming pace, that the present level of investment in the housing sector is low and inadequate, and that the housing agencies in the public and private sector are neither building the houses fast enough to meet the growing needs nor building cheap enough to reach the poor and needy. The sum of all is that the weaker and poorer sections have become the worst sufferers as the formal housing agencies are not able to provide dwelling units to them at affordable prices. Grim as the situation is in the cities, it is still worse in the rural areas.

HOUSING SITUATION IN INDIA

Over the Sixth Five-Year Plan period, the requirements of dwelling units for the additional population were estimated at 4.5 million in the urban areas and 8 million in the rural areas. This was over and above the housing shortage estimated by the National Buildings Organisation at 5.6 million units in the urban areas and 18 million units in the rural areas. Even the quality of existing housing, against which the shortage has been computed, is not encouraging. In urban areas, about 68 per cent of the housing stock is pucca, 24.7 per cent is semi-pucca and the balance unserviceable kutcha housing. In rural areas, however, kutcha and semi-pucca houses are the rule. A very large proportion, i.e., more than 80 per cent of households in major cities, reside in small one-room dwellings. Due to tremendous overcrowding flowing from urbanisation and industrialisation, about five persons live in one-room house. The quality of housing also depends

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on the access to services, like water-supply and sanitation. As seen from the NSS 28th round, 57.3 per cent of the urban households only received drinking water from taps within or outside the house in 1973-74, and others depended on wells, tubewells or purchasing water from vendors. Of urban households, 33 per cent do not have access to any kind of latrine while only seven per cent have exclusive use of a latrine. The availability of these and other amenities, including health care, school and recreation is not only relatively less for

the poor, but it also varies in quantum from city to cities, and even within different parts of a city like Bombay.

The shelter problem is credited on the demand side with a number of causative factors such as rapid growth of population, rate of urbanisation (especially in large cities outstripping the capacity of civic bodies to provide the basic services), pressure of industrialisation and economic development, growth of incomes and black money (which is invested in real estate to get protection against inflation), push of migrants in search of employment opportunities, etc.. on the supply side, we have the poor record of the formal sector, inadequate supply of affordable houses for the poor, shortage of developable land and paradoxically sub-optimal utilisation of land by public agencies, inadequate access to housing finance on reasonable terms, various legal and administrative impediments to provision of affordable shelter for the poor and that also to private initiatives in housing. The visible symptoms are overcrowding, dilapidated housing stock, severe shortage of rental accommodation, rapid increase in the prices of land and houses even in smaller cities and the pervasive spread of slums and squatter settlements without any basic facilities.

The rapid growth of slums in the major cities and the invasion on vacant lands by huts is more often seen as an urban malaise or an aberration to be wished away or removed and excites strong feelings on the part of the protagonists of civil liberty and the civil guardians of pavements and open spaces alike. The recent judgement of the Supreme Court on the pavement and slum dwellers of Bombay and Madras is a classic description of the conditions under which the unfortunate hutment families live as also a vindication of the right of public authorities to shift offending obstructions subject to certain safeguards. It is forgotten in this surcharged atmosphere that, making allowance for organised invasion on lands in big cities by slum-lords, the existence of slums is essentially a problem of urban poverty, lack of remunerative employment opportunities and lack of affordable legal shelter for the poor.

Statistically speaking, about 33 million people, as estimated by the Planning Commission, are living in slums which represent some

form of housing stock, albeit of the kutchra type, with materials ranging from polythene sheets, mats, dry twigs, gunny sacks, etc., to recycled tin sheets, broken bricks in mud mortar and plaster, clay roof tiles, thatch, etc. Roughly, 20 per cent of the urban population lives in slums. Over 13 million people lived in slums in 12 metropolitan cities, forming 43 per cent of the total slum universe. It could be as much as 50 per cent of the total population in Bombay or an average of 31 per cent in the million-plus cities. The conditions in the slums are, of course, far worse than what has been noted for housing in other areas. About 65 per cent of the total slums were under public ownership on an average though the percentage is lower for Bombay and Kanpur. The availability of basic facilities was better in the metropolitan cities, obviously due to the political clout of the slum dwellers. The condition of slums are more deplorable in smaller towns as bulk of the efforts for slum improvement has been concentrated in the bigger cities.

PROFILE OF POOR CONSUMER IN HOUSING MARKET

In Bombay, for example, 60 per cent of households have an income less than Rs. 600 p.m.; percentage of such households is larger in slum areas. According to a World Bank study, it has been estimated that 68 per cent of the families in Nairobi, 64 per cent in Madras, 63 per cent in Ahmedabad, 55 per cent in Mexico city, and 47 per cent in Bogota cannot afford a house even at Rs. 5,000. Based on HUDCO norms of financing, all the urban families can afford only a housing unit costing less than Rs. 2,940, and only families with a monthly income of Rs. 500 and above can afford a house costing Rs. 6,600. At an average construction cost of Rs. 150 per square foot, a house of 10 sq. meters can be afforded by families having an income of Rs. 1,050 or above.

Importance of housing for welfare and the economic development is well-recognised, especially when the international agencies define housing to cover not only buildings, but also land on which construction stands and the services in the neighbourhood. This is how the United Nations Centre for Human Settlement looks at shelter in the context of the objective of providing shelter for all the homeless by 2001, and would like the member-countries to take up pilot projects for the year 1987 as 'International Year of Shelter for the Homeless'. At the national level, housing accounts for a significant portion of the total capital formation, and is also an important item in the household spending throughout the world. It is a major outlet for private household savings and generates employment at low foreign exchange cost. For the poor, it provides substantial private and

social benefits in offering shelter from the elements, space for work and leisure and access to sanitation, education and health services and to employment opportunities. In spite of this recognition, however, urban housing needs are seen as a bottomless pit because of the manner in which assessment of the problem is made. The exercises often begin by defining standards of adequacy in terms of space, structure and services at levels comparable to those of middle-income housing, which are beyond the paying capacity of the poor. Such estimates inevitably imply huge investments, which cannot possibly be made either from private or public resources. The implementation of public housing projects, based on such standards, in fact, has often aggravated the housing deficiencies of the majority of the poor urban households since they tie up scarce resources in a small number of housing units, usually for the benefit of the better off.

A different and more appropriate view of the urban housing problem has recently been gaining ground in India and elsewhere. Housing shortages, overcrowding, poor infrastructure services, and escalating housing prices are seen to result from failure of the supply of land, services and shelter to expand commensurately with the rapid increase in housing demand. The poor people are particularly adversely affected as they do not have resources or influence to bid for scarce supplies of housing. They also tend to suffer from higher rents, either in the formal sector or in the slums, rather than to benefit from increased values of housing to the extent they do not own houses. It is paradoxical that public policy, which crucially influences supply of land, services, finance and legal framework for housing, has, in fact, been working at cross-purposes with the declared objective of housing for the poor, which has been the plank of electoral promises of all the political parties.

REVIEW OF POLICIES AND PROGRAMMES OF HOUSING FOR THE POOR

A review of social housing schemes introduced by the government from the First Five-Year Plan onwards reveals that bulk of such investment has gone towards construction of formal housing by government, semi-government agencies and cooperatives. Starting from 1952, schemes of integrated subsidised housing for economically weaker sections, industrial workers, plantation workers, village housing, etc., were introduced in the Central sector. The upper income limit for eligibility in the case of housing schemes for the industrial workers was Rs. 500 p.m. and the pattern of the assistance to the state government was broadly 50 per cent loan and 50 per cent subsidy. The scheme was expected to provide developed plots or two-roomed

houses in major cities within prescribed ceiling of costs, and implementing agencies for such schemes were state housing boards, local bodies, and industrial employers. The tenements were offered to the allottees on subsidised rents. It is estimated that about Rs. 125 crore were spent on this programme and approximately 2.5 lakh houses were constructed all over the country. It was later decided to transfer the houses to the authorised or unauthorised occupiers on hire-purchase basis. Low income group housing scheme provided for a grant of loan up to Rs. 18,000. This was, again, implemented either by the state agencies or the individual beneficiaries were expected to construct houses with loans advanced by the state government. It is estimated that about four lakh houses have been constructed with an expenditure of Rs. 234 crore. Middle income housing scheme also provided for loans to individuals and cooperatives with a ceiling cost of Rs. 42,000. About Rs. 121 crore were spent on this scheme to construct about 50,000 houses. The plantation worker scheme provides employees loan and subsidy for construction of tenements for the plantation labour. So far 40,000 houses have been constructed under this scheme. By 1974, all these schemes, except the one for plantation workers, were transferred to the state governments. Plan assistance was given by way of block grants and loans.

It is obvious that total production of houses through state budgetary support over a period of 30 years is a tiny proportion of the country's total effort and a small fraction of the real requirement of housing for the poor. It is also clear that even if additional effort had been made and larger funds approved, the production of formal housing in the public sector would have had little impact on the market, since this was not the best way to apply limited resources available for housing. The scheme criteria fixed for eligibility for public housing soon became out-dated and selection procedures adopted by the public agencies were such that they failed to reach large segments of people in real need. Monitoring of public investment on housing at the level of the Central and Planning Commission has also been extremely inadequate and there is little evidence of the extent to which the investments have made a dent on the housing problem. Although the plan schemes have played an important role in stimulating systematic investments in the housing sector and have been responsible for establishment of specialised institutions in the field of housing and urban development, yet they have made only a marginal contribution and have mostly benefited middle and higher income groups. Working of these schemes in a number of states leads to the inevitable conclusion that, as in the case of economic growth, addition to the total housing supply does not necessarily mean housing the homeless. Studies made by the HUDCO have shown that houses

constructed for a particular income category are largely occupied by families in the next higher income group, as repayment of the instalments are beyond paying capacity of the income group for whom houses were ostensibly meant. Even transfer of ownership of rental housing to the industrial labour and poor sections has not ensured permanent habitation for those groups, but instead, houses have changed hands many times. Those tenants who continue to occupy tenements are prone to run into arrears of payment.

EMERGENCE OF INSTITUTIONS

One important fall-out of the public housing programmes has been the establishment of city improvement trusts, housing boards and other authorities for undertaking land acquisition, development and construction of houses for various income groups. The improvement trusts came up in early 1930's and basically catered to middle income and higher income housing. The lands were purchased at market prices and plots were allotted by auction or at pre-determined prices to the public. There is not much evidence to show how far lower income groups benefited from the housing schemes of the trusts, but they wisely kept away from actual construction of houses and left it to the individuals and cooperatives. One of the first housing boards to be established was the Maharashtra Housing Board, and this was followed by similar initiatives by other state governments to set up housing boards and slum clearance boards. These were statutory bodies set up primarily to undertake housing. Most of them are entrusted with schemes for construction of tenements for the industrial labour and Economically Weaker Sections (EWS) as well as construction of slum clearance tenements. From the late 1960's these agencies took up direct construction of houses in a large way, the reasons given being that land was scarce and multi-storeyed tenements were inevitable, and further that people could not construct houses themselves due to scarcity of controlled items. In the context, where the activity of the private developer came down due to the Rent Control Act and the Urban Land Ceiling Act, the public agencies acquired a monopolistic position in the land market and had to assume the burden of satisfying practically the entire demand for housing in the major cities. Due to organisational and financial problems, as well as bottlenecks in the acquisition of land, the output of the public agencies has been extremely short of the requirement. The quality of public housing, as is often written about, has been extremely uneven. In the absence of a long-term perspective about the requirement of housing for various income groups, especially the poor, in different growth centres within each state, and a delinea-

tion of the role which housing boards need to perform to meet these demands, the construction programme of these agencies has degenerated into annual engineering exercises related to available funds and land, dominated, of course, by the inclination of the engineering lobby to go in for concrete structures. As far as the urban poor are concerned, as the earlier figures of affordability indicated, the cost of their tenements is far beyond the means of most people earning less than Rs.600 per month.

A major initiative taken by the Central Government in the cause of housing for the poor was the setting up of the Housing and Urban Development Corporation (HUDCO) in 1971, in response to the need of housing agencies in the country for long-term finance. It is the apex housing finance institution which is expected to finance or undertake housing and urban development programmes. It operates a graded system of interest rates ranging from 5 to 13.5 per cent and repayment periods ranging from 10 to 20 years. The HUDCO terms include all inclusive cost ceilings, graded scale of loan assistance geared to the capacity of different income groups. The HUDCO finances plots and houses ranging from Rs.5,000 to Rs. 1.25 lakh and also provides loans for upgrading squatter settlements and rural housing. It is claimed by the HUDCO that over 55 per cent of its funds are earmarked for economically weaker section and lower income group leading to generation of as many as 90 per cent of the total dwelling units constructed by the borrowing agencies for these income groups. In absolute terms, the achievement of HUDCO has been impressive. It has financed construction of over 1.5 million houses during its 14 years of existence. It has now extended its operations to practically all parts of the country, although its impact on eastern India is not so significant. The HUDCO is encouraging a multipronged approach for the EWS by providing different options by different cost levels to suit various paying capacities, such as a bare developed plot, a plot with sanitary core, skeletal housing, slum upgradation, etc. The HUDCO has made a commendable effort to bring uniformity to houses supplied by different state agencies in line with the economic composition of the beneficiaries in the country and their affordable capacity. Through its differential income rates and repayment terms, as well as insistence of a stipulated proportion of funds for the lower income groups, it has induced housing agencies to construct more and more dwelling units for the poor and to adopt austere standards.

Unfortunately, there has been no statement on housing policy from the Government of India despite repeated requests by various interested groups. What has been outlined in the plan documents is only

a strategy having the following objectives:

1. Promotion and encouragement of self-help housing.
2. Provision of house sites and assistance for rural landless labour.
3. Formulation and operationalisation of social housing schemes for different income groups.
4. Augmentation of the resources of HUDCO and various state agencies in order to provide the infrastructure for housing as well as to construct dwelling units.
5. Promotion of research in building technology and development of low-cost building materials.
6. Effecting efficient and equitable distribution of land to meet requirement of land for public purposes and use land as a resource.

Funds made available for implementing this strategy over the successive five-year plans have, however, been a tiny percentage of the total plan investment. Direct investment through the five-year plans in the first three decades totalled to just about Rs. 1,253 crore, while investment by other public agencies were about Rs. 1,800 crore. As against this, investment by the private sector during the same period was estimated at Rs. 12,740 crore. Even during the Sixth Five-Year Plan, public sector investment was envisaged only at Rs. 1,300 crore, while about nine times of that amount was expected to come from private sector. The HUDCO was expected to invest Rs. 600 crore during the Sixth Five-Year Plan period to yield about seven lakh dwelling units, of which over 80 per cent would go to the EWS and LIG. In the Fifth and Sixth Five-Year Plans, there was a distinct shift in government policy in favour of providing basic infrastructure and encouraging private initiative, so that bulk of the construction could be done by the people. There is also greater emphasis on the environmental improvement of slums instead of massive relocations. Unfortunately, however, monitoring of housing objectives in the five year-plans has been extremely unsatisfactory. The Sixth Plan envisaged an investment of Rs. 485 crore by the state governments to produce about 16 lakh EWS housing units, but so far there is little information as to how allocations were actually spent and whether, in fact, benefit went to the EWS. Great hope is placed on private capital formation in the housing sector and it is believed wishfully that much of this would go to the poorer sections.

Urban Land Policy

One major failure of housing policy of material relevance to the

housing for the poor is in urban land policy. The main planks of land policy in India have been large-scale land acquisition and development by public agencies for the last 25 years, and fixing ceiling on land ownership in major urban centres since 1976. The consequences of this policy for the poor have often been adverse. The record of public agencies in land acquisition, development and disposal has been very uneven. Some housing boards have acquired large areas of urbanisable lands in their jurisdiction, and in most cases acquisition has been quite slow and tortuous. Many of the housing boards are involved in prolonged litigation, and meanwhile lands have been encroached upon and the owners have sometimes been prevented for over 10-15 years from utilising land or payment of compensation. Recent amendment to the Land Acquisition Act may perhaps cut down the delay in acquisition of land and provide a larger compensation to the land owners, but the infirmities in the existing acquisition policy would still remain. More importantly, public agencies have been guilty of holding on to large tracts of land in major cities without bringing land to the market and have generally failed to achieve objectives of checking land prices and making sites available at reasonable prices to the public. The problem has been aggravated by lack of coordination between the housing agencies and the local authorities resulting in artificial controls on the use of land for housing. Operation of the private developers in the land market has been further curtailed after the imposition of the ceiling on the ownership of the urban land since 1976 and vast areas of vacant land remain frozen. The Urban Land Ceiling Act was designed to achieve a more equitable distribution of land to subserve common good and the surplus lands were expected to be used for housing the people. Unfortunately, the Act has been very tardily implemented and 'exceptions' and 'no objection certificates' have been rule rather than procurement of land for public agencies. Out of the 3.50 lakh hectares land declared surplus, hardly 5,000 hectares have been taken over. Thus, although the intention of large-scale land acquisition and development policy as well as Urban Land Ceiling was to control activities of the private land developers and curb undesirable speculation and further ensure land development, with special reference to the needs of the people, freezing large tracts of land and slow development and marking of land by the public agencies had the opposite effect on the poor.

Delhi is an interesting study of urban land policy in this context, since it reveals how actual implementation of a well-intentioned policy has run contrary to the interest of the poor. Delhi's Master Plan, 1971, earmarked 72,000 acres for acquisition. However, only about 46,000 acres were acquired till the end of February, 1983. As against this, Delhi Development Authority utilised only about

14,000 acres for residential schemes and 11,000 acres for industrial and institutional purposes. Over 7,000 acres have been used to resettle squatters in the late 1970s. Due to the slow pace of acquisition and development, much of the notified land was plotted and sold by developers and over 700 unauthorised colonies mushroomed in the Delhi Metropolitan Area. Though the DDA was specifically set up to ensure planned development of the city, it is worth noting that roughly one million people living in unauthorised colonies and the people living in jhuggi jhopari depended upon their initiative to construct dwelling units. This was also due to the land disposal policy pursued by the DDA. Having acquired monopoly position in the acquisition and ownership of land in Delhi, it did not utilise this position to control land prices. The average cost of land acquisition was utmost Rs. 10 per sq. ft., while the cost of land charged to housing allottees was Rs. 62 per sq. metre. The pre-determined rate for developed land ranges from Rs. 260 to Rs. 418 per sq. metre at present. Auction rate for commercial and higher income groups has been as high as Rs. 6,000 per sq. metre. Bulk of the plots disposed of by the DDA in the earlier years went to the higher income groups, and the auction prices, in fact, set the trend for land values in the city. The cheapest house which DDA produces is about Rs. 30,000, which cannot be afforded by the majority of the people who are poor. With development authorities being set up by different state governments in major cities to imitate the much publicised example of the DDA, a careful evaluation of the Delhi experience with particular reference to the needs of the urban poor will have to be made.

A view of housing and land policies of the government as well as activities of different housing agencies leaves one with the conclusion and concern that in spite of policy commitments to housing for the poor and specific schemes for certain target groups, the poor sections have not really benefited from the housing investments due to a variety of impediments and they continue to depend on their own initiative in the form of slums or unauthorised colonies or tend to overcrowd in small dwelling units. Government-sponsored agencies are patterned on the bureaucratic model and adopt a rigid brick and mortar approach to housing. While some amount of urban housing may have to be built up by specialised agencies in the public or private cooperative sectors, there is enough evidence to show that efforts to produce affordable houses for the poor by corporate bodies have failed. Bulk of the housing for the poor is produced through their own efforts, legally or illegally. If public intervention is to be effective, it has to take into account the great limitations of government organisations in catering to the needs of low income families in terms of cost, quality, functional suitability, location

and procedures. The Sixth Plan recognises that the public sector has only a marginal role to play in urban housing, restricted to the improvement of slums, direct provision of housing to the urban poor and encouragement of agencies, which can promote the mobilisation of private resources into housing constructively. A number of state governments have recognised the promotional and enabling role of the public agencies and the need for change in their orientation if they are to serve the needs of the low income people. As part of the policy brief for the International Year of Shelter for the Homeless, budgetary allocations are seen as going a much longer way if utilised almost fully for infrastructure and land development to deliver cheap serviced sites to the poor. Public agencies are also asked to cut down their house construction programme to the minimum. They are asked to treat housing as part of an integrated programme for urban development, including health, education, recreation, mother and child care and support for income earning activities. In effect, the various agencies responsible for financing and development in the housing sector are expected to play their legitimate role as planners/promoters of critical infrastructure and enablers of people's participation in providing shelter. Given this appreciation of the change in the role of the government and public agencies, we may look at specific impediments to housing for the poor and some successful examples of how these obstructions have been tackled and converted into opportunity.

IMPEDIMENTS TO HOUSING FOR THE POOR

Typically, the poorest of the urban dwellers--which comprise 30 to 50 per cent of population in most cities--live in dwellings which have been constructed by themselves or with the help of neighbours, friends and local artisans. This includes the squatters and slum dwellers. The construction materials for these dwelling range from mud huts to pucca structures. The key point is that, in this sector, there is little use of architects, contractors and engineers. There is little emphasis on formal design; much of the investment is physical more than financial, the materials are often recycled. Hence, the poor are able to construct dwellings at costs much less than any system of organised sector construction would permit. Still, their investments are substantial in the aggregate as well as a multiple of family income. In fact, different levels of construction ranging from a hut to a semi-pucca structure represent distinct levels of magnitude in tune with the poor man's income levels. Unfortunately, as the informal sector of housing is considered a liability, and as most of the dwellings are unable to meet the minimum standards laid down in

most local building codes, they become unauthorised by definition. A survey of Poona slums by Meera Bapat showed that the best shanty dwellings, comparable to any public sector EWS dwelling, cost just over Rs. 2,000 in contrast to Rs. 8,000 which is the minimum for a housing board to build with. National policy must recognise this cost advantage. Public outlays for shelter for the poor can then help a much larger number of people since unit costs would be lower.

The strategy for housing the poor has to start with a change in the perception of why these people come to the city, how they live, work and commute. The so-called informal sector, in fact, constitutes a vibrant, productive element of the city economy, far from being a parasite. As someone put it, 'if the poor really left the city, Bombay would starve'. Bombay's four million slum dwellers constitute one-half of the city's population and the core of its workforce: industrial and white-collar labour, construction workers, domestic servants, cottage industry entrepreneurs and rag-pickers.

Demolition of their homes or uprooting them from their present habitat takes away their livelihood and pre-emptes the possibility of a better life for their children. The prospect of good shelter do not initially enter into the reckoning of a migrant. As a writer put it, it is over a time-span that the migrant moves from a temporary settler to a consolidator. We have described earlier their access to services and the quality of housing. Still, without any intervention from the formal institutions--in fact, against legal and procedural odds--the poor build shelter on their own. On their own, they go through all the processes that a formal housing agency goes through. They procure land, often illegally, collect materials, find resources, put together skills and build--not aesthetic perhaps, or even out-of harmony with the lines and colours of the planner's map, but definitely an asset.

The failure of the existing institutions to build cheaply and speedily, as shown earlier, on the one hand, and the positive evidence that people have the necessary skills and ability to build, on the other, is enough justification to seek people's involvement in housing process, and to identify and remove impediments. As the Task Force on Shelter set up by the Planning Commission affirmed, "People's involvement in housing programmes meant for them is much more than a philosophical stance, it is of critical material relevance". The obstacles comprise, legal access to serviced land, access to institutional finance, restrictive building regulations and standards, cumbersome land registration and leasing requirements, supply of materials, proximity to workplace and basic social services, etc. They also constitute opportunities for positive intervention by the government.

The Sites and Services Programme

For bulk of a city's population, including the Middle Income Group, formal housing has to be given up as a concept of affordability. The 'sites and services programme' takes into account the three following major aspects of the housing problem as outlined above:

1. The inability of the large number of households to pay for regular housing,
2. Skill in improvisation at low cost shown by poor people,
3. Their ability to make incremental improvements in the rudimentary structures which they initially erect.

The programme envisages provision, especially for poorer families, of developed plots, equipped with properly laid out basic environmental services. The allottees will complete the house with their own or hired labour according to their own standards. Given security of tenure, these houses will incrementally improve into adequate shelters that the poor could never afford initially. Naturally, the locations of the schemes must be chosen with due regard to their accessibility to places of work.

The other two planks of the programme for the poor are slum upgrading and construction loans. The project elements have been delineated in the World Bank assisted projects in Madras, Kanpur and Bombay. In respect of slum pockets, which are not required to be shifted for any major public purpose, leasehold rights are conferred individually or to a cooperative of occupants at a nominal lease. These hutments would be provided minimum civic facilities at the average expenditure of Rs. 2,000 per family, and this cost would be recovered over a long period. Having improved the neighbourhood, the slum families would be given home improvement loans according to the income group. A typical slum upgrading project will be as shown below:

	(Rs.)	(Rs.)	(Rs.)
Income per household	325	525	825
Plot price	1,000	1,500	2,500
Home improvement loan	1,500	2,000	2,500
Loan repayment/p.m.	25	35	50
(inclusive of plot price)			
Maintenance charges, taxes			
etc., (to be borne by society)	20	25	30
Monthly repayment as percentage of income	14	11.5	10

The thrust of a simultaneous sites and services and slum upgrading project is as follows:

1. To increase the opportunities for affordable income shelter in the form of serviced land, so as to stop further accumulation of housing deficit;
2. To convert a significant proportion of squatter settlements into environmentally acceptable and legal shelter by providing land tenure, basic amenities and construction loans.
3. To achieve full recovery of cost in the project design, but price the shelter in such a way that it is affordable to the beneficiaries. This also ensures replicability of the project through revolving funds built out of receipts.

In the sites and services projects taken up in Bombay and Madras, dwelling units of different sizes are provided with significant price subsidy built into the plots of smaller sizes to be allotted to the lower income groups. The basic concept consists in creating a base on which individual families may build such houses as they can afford over a convenient span of time. In the Bombay project, the smallest unit is of about 25 sq. mt. with a water closet (WC) core constructed to the plinth level and a small wash place with a tap. Medium size units are also roofless and consist of WC, bathroom and a room of about 95 sq. ft. area, whose side walls are built up to a height of 10 ft. The larger units of 40 sq. mt. consist of one of two fully built rooms with asbestos cement (AC) sheet roofs in addition to WC core. The subsidy given for these plots is made up through sale of the larger plots of 60 sq. mt. and above, as well as the society plots at prices higher than the actual cost of development. The size of the houses for the income groups earning less than Rs. 10,000 per annum, is modest, but they are affordable houses built on serviced sites and can be fully paid for through reasonable monthly instalments. The project allows people to build by accretion and they leave plenty of room for the use of non-formal materials in construction. In Madras, allottees have been given loans by the banks as well as by the HUDCO to undertake construction, subject to minimum conformity with the building regulations and all the concerned agencies resolved the formalities practically at the door-step of the beneficiaries. Similar procedure is proposed to be adopted in Bombay also. The overall layout provides access to commercial sheds or employment centres nearby alongwith reservation for various other public purposes.

Another dimension to shelter for the poor has been given in the Pune experiment with relocation of the slum dwellers. It illustrates

the concept that people's participation should really mean involvement of the beneficiaries at all stages of the formulation, planning and execution of the project. The project involved shifting and rehabilitation of about 10,000 slum families situated along the Mutha Right Bank Canal near the famous Parvati Hill. About two-thirds of the households earn less than Rs. 50 per capita and 30 per cent of the huts have area less than 60 sq. ft. The availability of water-supply, latrines, etc., is extremely inadequate. The Pune Municipal Corporation decided to relocate slums, both in view of their environmental condition and because they posed a major pollution hazard to the drinking water source of Pune. On the basis of detailed consultations with the affected slum dwellers and various public groups, it was decided to offer plots ranging from 276 sq. ft. to 400 sq. ft. on long-term lease to each censused family and to provide new individual latrines, and water tap connection in each plot, and further to construct a small dwelling unit of 135 sq. ft. for those who can afford the same. Lands required for relocation of slum was acquired in record time by the government and made available to the Municipal Corporation for development. Plans and estimates of the project as well as design of the houses were prepared after fully explaining details to the groups of slum dwellers. The beneficiaries were asked to choose between a prefabricated house and a conventional house and on that basis construction of about 5000 houses was started alongwith development of the land. The HUDCO agreed to provide loans to the Municipal Corporation for the entire project and subsidy was given in the form of grants given by the state government for the amenities. The response to this scheme was so overwhelming that about 5,400 beneficiaries deposited an amount of about Rs. 1 crore in the Bank of Maharashtra towards their contribution. The instalment of repayment ranges approximately from Rs. 96 to Rs. 118 per month for a period of 15 years. The beneficiaries were fully associated with the actual execution of the project and suggestions made by them regarding various minor details of construction were accepted wherever possible.

The Pune Slum Relocation Project has a number of unique features, which deserve to be considered for replication in other major towns in order to attempt a solution to the vexed problem of slums in the fast-growing cities. These features include:

1. Systematic involvement of the slum-dwellers at each stage of the project from location of sites to the type of development, type of construction, financial contribution and eventual shifting to the new sites.
2. Fullest involvement of the elected non-officials and public

representatives in what was initially an official effort and the subsequent support extended by all sections of the society, including the Press.

3. Coordination of different agencies concerned with city development in various aspects of the programme, such as land acquisition, provision of services, formation of cooperatives, financial assistance for SC/ST, etc. This, in turn, was strengthened by support extended at the highest level of state administration.
4. Involvement of the HUDCO by way of assistance for development of the plots as well as construction, as also involvement of a nationalised bank for the first time in agreeing not only to canalise loans to the beneficiaries, but in handling all stages of the operation. This opens up a new chapter in the history of nationalised banks in India.
5. Close involvement of the beneficiaries with the actual construction process resulting in structures which fully meet needs of the ultimate residents as compared to the present impersonal type of construction by the housing agencies. This will not only result in considerable cost reduction, but also ensure that allottees will, in fact, stay on in the dwellings.

A comprehensive focus has been given to the concept of community involvement in shelter and urban basic services in the Urban Community Development Project under execution in Hyderabad, Visakhapatnam and a few other cities in India. It looks at housing as an entry point for the total development of the neighbourhood through an integrated delivery of necessary improvements, as well as social amenities, including opportunities for remunerative employment, with particular emphasis on women and children belonging to the poorer sections. It seeks to link the voluntary organisations and the institutions in the formal sector, including banks, systematically with the slum communities and to activate the dormant resources of the community through catalytic organisational and financial inputs from the formal sector. In the habitat or self-help housing scheme initiated in Hyderabad, titles have been issued by the government to over 20,000 families. Layout of the area is finalised in consultation with the slum welfare organisation constituted by the Community Development Cell and the proposed building designs are also discussed with the residents. The housing scheme is then prepared for one or more slums for submission to the HUDCO. The Municipal Corporation undertakes the entire preparation of the documentation and completion of the formalities before loan is sanctioned. Government provides subsidy of Rs. 1,000 and grants are also obtained from UNICEF for

construction of new latrines. Before the work is started, beneficiaries form groups and authorise two or three persons in the group to draw cement, steel and other building materials for construction. The Municipal Corporation assists them in building design, building permission, technical help in construction, procurement of materials, water-supply arrangements, etc., free of cost. The HUDCO loan is also passed on to the individual beneficiaries after completion of each stage of construction. The beneficiary invests his own labour and applies materials salvaged from the previous construction and often procures other materials at cheaper rates from factories and shops where they work. They take the help of carpenters, masons, wiremen, etc., who are living in the slums or nearby. There is considerable interchange of skills between one slum and the other and this assures the workers' continuous employment for construction of the houses. Physical inputs such as roads, drainage and water-supply are provided free of cost, while individual latrines connected to the sewer lines ensure that there are no problems of maintenance of community latrines, as is found in many large cities. The housing programme is fully integrated with various other activities in the project, such as Balwadis, special nutrition programme, maternity and child welfare services, immunisation, vocational training, training in skills for women and youth, construction of community halls, assistance for starting production centres and cooperatives and various other felt-need activities, which form part of the entire social planning. The entire process of construction of the houses continues for nearly nine months with the involvement of the family, the social groups and interaction of the community organisers and officials of formal sector organisations. This offers the slum dweller a pride of having constructed his own house, as well as a feeling of social status, and a sense of involvement in the civic affairs. It is found, in such projects, that slum dwellers can be easily motivated to maintain services and also take on many of the activities which are conventionally performed by government agencies. There are instances of ex-convicts having been transformed into a functioning housing neighbourhood in Hyderabad. The lessons learnt from Hyderabad are being replicated in Madras, Kanpur, Ahmedabad and a host of small towns like Sambhalpur and Allepy. However, the urban community development is still looked upon in many big cities as a pilot effort rather than a city-wide approach to meet problems of the poor. Changes called for in this regard would include:

1. Emphasis on economic activities, such as small loans, production centres, and vocational training in order to enhance the income and earning base of the poor families and to integ-

- rate them in formal sector with the formal city economy.
2. Integrate the housing efforts of the poor with finances available from institutions like the HUDCO and nationalised banks through orientation of the state or city-level agencies responsible for housing and urban development, since it is precisely the undertaking of various formalities and documentation associated with getting loans from formal institutions, as well as procedures connected with commencement of the project, that deters the poor communities from approaching the formal sector.
 3. Simultaneously attend to other social needs of the poor neighbourhoods, such as schools, recreation, mother and child care, health care, Balwadis, since it has been found that efforts to earn higher incomes on the part of women are linked with availability of facilities for child care, easy access to water-supply and sanitation, better health facilities, etc. Again it is precisely these facilities that the poor are not able to provide for themselves.
 4. Link the community development efforts with larger city-wide programmes of physical improvement, such as environmental improvement and housing, integrated child development schemes of the Government of India, and various investments for physical and social infrastructure, in order to make both these investments more relevant to the felt needs of the ultimate beneficiaries and in order to ensure better maintenance of the assets so created through a sense of belonging.
 5. Link various voluntary groups working in the neighbourhood with the government and municipal organisations and capitalise on the credibility of these groups for motivating community for shelter and slum upgradation programmes.
 6. Enhance coordination and convergence of basic services to the urban poor on the part of different institutions working in the city and to ensure complementarity of different inputs.

Although the projects noted above provided for financing by the poor, the lower income groups have practically no access to institutional finance for housing. Indirect funding is available for the EWS and LIG categories through the HUDCO, when it finances housing schemes of the housing agencies. However, as noted earlier, this forms a miniscule proportion of the total need, and covers mainly Class I towns. The other sources of institutional finance are the nationalised banks. Barring the Scheduled Castes and Scheduled Tribes, interest rates for other low income groups are high, and the loan is limited to Rs. 5,000. The project has to be sponsored by some

public agency. The offtake is low due to various procedural problems. The funds are limited for cooperatives of the poorer sections too as they have problems of organisation and most of the funds from LIC and Apex Cooperative Banks are canalised to MIG and HIG Cooperatives.

A recent survey made by the National Institute of Public Finance and Policy shows that households in the lower income groups and also relatively young in age and residents in small towns, face great hardships in mobilising resources for housing, with less than 8 per cent of the funds required coming from the formal market. They rely on self-generated resources, liquidation of asset, loans from employers, friends and relatives. Again, since they acquire the smallest houses they have little access to specialised housing finance institutions, and receive only marginal support from the banks. Many poor households have little information about the availability of financial intermediation. Even when aware, many of them are unable to fulfil the stringent eligibility norms of the conventional institutions, nor can they comply with the complex procedures for getting loans. Many of them insist on regular and verifiable source of income and acceptable collateral and do not cater to the casual labourers or self-employed. Antiquated definitions of income groups have contributed to the disqualification of a large segment of people from being eligible for houses which they can afford. For example, even the lowest category of salaried groups in the organised sector earns more than Rs. 600 p.m. and gets disqualified for an EWS or LIG house, but finds the MIG house not affordable. Thus the present policies and norms of HDFC, banks, etc., mean that the category of people who need public housing support most get disqualified in practice despite professions on paper.

It is also noted that the urban poor have great need for small amounts of money to repair, redevelop or expand their homes. There is no institutional arrangement for such loans. For innovative banking in this field, community-based systems have to be devised. Another felt need is the demand for loans to construct latrines in medium towns. It is further worth exploring as to whether building material banks, linked to daily or weekly chit funds, can be introduced on the pattern of the Freedom to Build Concern in the Philippines to make available new and used material for construction. Yet another need actively being promoted in Bombay is the institutional finance for repairs and reconstruction of dilapidated buildings by tenant cooperatives. All this points to the need for a specialised institutional framework to mobilise savings for housing and give home loans to meet the specialised needs of individuals and cooperatives.

One of the important reforms needed to bring down the costs to within the paying capacity of the poor and to encourage permanent

investment by the poor is to modify the standards relating to land use, floor space, quality of finish and other specifications, utilities and often durability of materials. This would call for modifications in building bye-laws, land use control, density requirements, minimum plot requirements, open space and road requirements, and even construction standards and specifications stipulated by the local bodies and town planning departments. In the Bombay Shelter Project, the open space and utility requirements have been reduced and the residential component increased so as to achieve higher density and bring down the cost of saleable land to the poor. Typical building designs and cluster layouts have been developed to enable the beneficiary in the housing and slum upgrading project to build incrementally to the maximum built-up area with lesser setbacks and margins. In Madras and Hyderabad, the allottees of plots are assisted in getting building permissions, water supply connection, etc., virtually at the doorstep and thus, avoid the loss of time and energy in complying with cumbersome procedures and red-tape in the local bodies and utilities.

The legislative framework in the form of Slum Improvement Act, Town Planning Act, Rent Control Act, etc., also need to be liberalised. It is necessary to review the rent control legislation in order to encourage housing investment, especially for renting to those who cannot afford to buy a house. It is not at all clear that rent control actually protects tenants as a whole and perhaps it benefits the better-off more. It also leads to poorer maintenance of existing buildings and lesser civic revenues for service delivery. The Slum Improvement Act is rooted in the perception of slums as a temporary aberration and does not squarely take into account the illegality of the hutments. This has, in fact, perpetuated the sense of vulnerability of the slum dwellers and prevented sustained improvement of their dwellings. The town planning framework keeps the slums outside the Master Plan even if they account for 50 per cent of the population. Short of restructuring the basis of town planning which determines access to urban land and services, short-term measures like a cut-off date for slums is not likely to improve the situation of the poor.

An important point, often overlooked, is that the magnitude of investment in housing that a household can make, can be assessed by evaluating the chances of occupational mobility and access to employment. The low-income population comprises two non-competing groups. The first is employed in urban modern sector jobs, mainly due to a relatively higher level of education and access to formal sector jobs. The second group is barred from employment in the organised sector on account of its lower social status, lack of qualifications

and contacts, and is condemned to remain in low-skill, casual and low-paying occupations. If this situation is viewed against the possible type of construction, referred to earlier, the transition to a pucca house is possible only for some, but the vast majority has no capacity to improve the shelter beyond semi-pucca dwelling.

What is, therefore, needed is a range of technical measures for improving the rudimentary shelter that is initially put up by the urban poor on sites allotted to them or in upgradable slums. An important factor here is the simplicity and ease of construction within the reach of the resources and skills of the poor, innovations in design and the minimum requirement of costly materials like cement and steel in short supply. A lot of research has been undertaken in this field, such as water-proofing of mud walls, treatment to thatches, use of lime mortar, etc., which also has the advantage of using less energy for manufacture. A greater dissemination of information about scope for using such materials and supply centres for making these materials available to the urban poor and radical change in the attitudes of engineers towards the use of these materials is necessary in this context. Equally necessary to encourage such technical innovations is the recognition that self-help housing and sites and services programmes are the viable alternative to the question of shelter for the poor, as we argued earlier.

Apart from the need to take up such programmes on a significant scale to make an impact on the housing situation, it is important to devise estate management procedures, which would enable information regarding the schemes to reach the really needy sections. Unequal access to information about the housing schemes for the poor can also be disadvantageous as it leaves vulnerable poor groups open for exploitation by those who can use information to their own advantage at the cost of the poor. Laying down of such requirement in the scheme as may prevent their eligibility also could be a barrier to many poor persons, who do not have the capacity to obtain these documents. Again, the procedure for the collection of instalments needs to be flexible enough to make it possible for those with casual income or daily wages to make payment. It is also necessary to provide a series of options in terms of plot sizes, amenities and repayment charges to suit different levels of the urban poor. Some of these aspects have been incorporated in the World Bank assisted projects in Bombay and Madras in the form of a number of options for EWS and LIG sites. The Ghaziabad Development Authority has introduced a housing project for people with casual employment and that permits them to pay a rupee a day at collection centre in a central place to get possession of a simple serviced plot. Such innovations need to be replicated on a large-scale in different cities.

To sum up, the government and public agencies should take a comprehensive view of housing for the poor as component of integrated programme of services which include, health, education, recreation, mother and child care, support of income earning activities and access to the places of employment. Housing agencies again should treat housing as part of an integrated programme for urban development and assume their legitimate functions as planners and promoters of critical infrastructure and enablers of housing by the poor. They should concentrate on helping people with activities that they themselves are not able to perform, viz.:

1. public services, such as water-supply, sanitation and social amenities;
2. land acquisition and development;
3. availability of housing finance at reasonable rates for new construction as well as repairs;
4. providing access to materials in typical use as well as technical help regarding design and construction;
5. providing security of tenure on developed sites as well as upgradable slums; and
6. removal of legal and administrative impediments to housing.

The traditional approach to housing in terms of its broad objectives is concerned with architectural standards and is largely irrelevant given the basic facts of poverty and urban growth in India. The approach from now on needs to concentrate on ways to involve people, rather than existing organisations and institutions, on more effective methods of cost reduction, and make programmes and projects need-based and relevant. They involve a major shift in attitude towards the people, a new interpretation of people-initiated housing, a new definition of housing, a redefinition of housing task, a new role for the public agencies, a new relationship between housing agencies and their clients, a new definition of skills, and above all, a new vision of housing for the poor.

Computerised Financial Information System in Government of Gujarat - A Case Study

R.K. SACHDEVA AND R.G. KAJAREKAR

THE BASIC exercise of budgeting in a governmental system deals with: (1) fixing rates of taxes and duties in the best interest of the objectives of the state, (2) estimating the amount of tax and non-tax receipts during the year, (3) allocating funds for various activities and projects of the government, (4) matching the total disbursements of the government with the total receipts. During the budget period, continuous monitoring is needed to ensure that desired objectives are attained and, if necessary, supplementary modifications and corrections are effected in this regard from time to time. The role of relevant, accurate and timely information in this whole exercise needs hardly any emphasis. The quality of budget and its impact is directly related to the quality of information used to plan and monitor it.

MANUAL SYSTEM

The budget of a state government in India varies from a few hundred crore to a few thousand crore of rupees depending on the size of the state. The state government is obliged to lay before the house of the legislature a statement of the estimated receipts and expenditure of the state for that year, called the "annual financial statement", as per Article 202 of the Constitution of India. The demands for grants in the annual financial statement are submitted in the form of Appropriation Bill for the approval of the Assembly. The government is also obliged to lay before the Assembly the demand for supplementary, additional or excess grants under Article 205 of the Constitution, if the amount authorised by law to be expended for a particular service for a current financial year is found to be insufficient for the purpose of that year or when a need has arisen during that (current) financial year for supplementary or additional expenditure upon some new service in the annual financial statement or if any money has been spent in excess of the amount granted for that

service.

All revenue received by the government of a state in the form of its share in taxes and duties, all loans raised by the government by the issue of treasury bills, loans or ways and means advances and all money received by that government in repayment of loans shall constitute a fund called "the Consolidated Fund of the State" under Article 266 of the Constitution of India. All other public money received by or on behalf of the government of a state is credited to the public account of the state.

Article 150 of the Constitution of India empowers the President of India to prescribe the form of account of the Union and of the states in consultation with the Comptroller and Auditor General of India (CAG). The CAG reports the accounts of the Union and the states to the President and the governors respectively which are then laid before Parliament and state legislatures.

The CAG, with the approval of the President, issued the third edition of the Account Code in 1973. The Account Code explains the basic principles, the procedures to be followed and records to be generated by the Union and the state governments for accounting transactions made by them. Appendix 2 to Volume I of the Account Code gives the list of major and minor heads of account to be followed in the classification of receipts and expenditure. Till 1976, the compilation of accounts of the Union and the state governments was done by the CAG. However, in 1976, by order of the President of India, the CAG was relieved of the responsibility of compiling the accounts of the Central Government in a phased manner between April 1976 and October 1976. This was done under a scheme of departmentalisation of accounts in the Central Government and each department was given the responsibility of maintaining its own accounts while the CAG was left with only the audit function for these departments. The accounts of the state governments are, however, still compiled by the CAG.

Ever since the British rule, the revenue district has been the unit of administration. At each district headquarters, the government treasury (known as district treasury) is charged with the responsibility of collecting government revenue, and making disbursements on government account. After expansion of banking industry, the treasuries are now discharging these responsibilities in association with branches of the State Bank which is functioning as the agent of the Reserve Bank of India, who are government bankers. Thus, the financial transactions in essence originate at the district treasuries, and its subordinate sub-treasuries. The financial transactions relating to receipts and payments are recorded in the documents called 'challan' and 'voucher' respectively.

District treasury, while incorporating the sub-treasury transactions, sends to the Accountant General (AG) of the state, periodical schedules of payments twice in a month--first on 23rd, and second on 7th of the following month--classifying them under individual major heads. The schedules of receipts are, however, sent once at a later date. The office of the AG looks after the compilation of accounts. A few departments, viz., the public works departments and forest departments, conduct their own financial transactions without intervention of the district treasuries and submit monthly accounts of their own financial transactions to the AG. Monthly, major head-wise expenditure and receipt figures are then compiled and communicated to the Finance Department of the state some time by the second week of the second subsequent month.

Each voucher or challan records information about the treasury or PWD or Forest division, the disbursing officer in case of a payment, the department, serial number, the source of revenue, e.g., state plan, state non-plan, central plan, centrally sponsored scheme, etc., and the head of account to which the transaction has to be debited. The classification in accounts, is prescribed by the CAG in the 'List of Major and Minor Heads of Account'. About 400 major heads of account have been prescribed and a three-digit code number is also assigned to each head. Major heads code numbers '020' to '045' have been assigned to the sector 'tax revenue', e.g., Income-tax, Sales tax, Excise duty, etc. Major heads codes '046' to '162' have been assigned to sector 'other receipts'. Further, major head codes '211' to '364' have been assigned to various expenditure heads on revenue account, under various sectors/sub-sectors. Codes '430' to '769' have been assigned to the various expenditure heads under capital account, loan accounts, etc., code number '800' is reserved for the Contingency Fund and '801' to '899' are reserved for heads under the Public Account.

Each Major head is further divided, wherever convenient, into one or more sub-major heads, e.g., major head '077' is for Education. Under this major head, there are seven sub-major heads, viz.:

1. Primary Education;
2. Secondary Education;
3. Special Education;
4. Pre-University Education;
5. University and Higher Education;
6. Technical Education; and
7. General.

Each sub-major head and--where no sub-major head is given--each

major head is further divided into one or more minor heads, e.g., secondary education, has three minor heads under it, viz.:

1. Tuition and Other Fees;
2. Text Book Receipts; and
3. Other Receipts.

In addition to the minor heads prescribed by the CAG, more minor heads may be opened by the state government with the consent of the CAG. Sub-heads and detailed heads under the minor heads may, however, be opened by the state government according to their specific requirements and local conditions.

Thus, the system of accounting classification in government account is a 5-tier one. The tiers are: (i) Sector/Sub-sector, (ii) Major head/Sub-Major head of account, (iii) Minor head of account, (iv) Sub-head of account, and (v) Detailed head of account (also known as Object head).

OBJECTIVES OF COMPUTERISED SYSTEM

The compiled accounts are submitted by the Accountant General (AG) to the state government on a monthly basis. Accounts for each accounting month are made available after a lapse of about two months. Apart from this substantial time lag, qualitatively also, it reveals nothing but the money value under each major head of account. This information is, obviously, totally inadequate for the purpose of budgeting and budgetary control by the state government. So, the state government has to evolve its own method for generating financial information. The state government would like to know the break-up of expenditure, not only by major head of account, but down to the detailed head of account. It would also like to know analysis of actual expenditure as follows: disbursing officer-wise, district-wise and plan scheme-wise, and its comparison with corresponding amounts in the budget. Similarly, it would like to have the comparative picture of actual and budgeted receipts from time to time.

In order to meet the financial information needs of the state government, some states have evolved computerised systems in the past. But these systems have not been approved by the CAG or the Union Ministry of Finance and differ widely from state to state. Since there are also certain shortfalls, these systems are not working satisfactorily. Evolution of computerised system in states has also led to duplication of accounting function by the AG as well as the state government. However, the accuracy of the existing systems is fairly low and these are in no position to take over the account-

ing function from the AG.

As in the case of Central Government, it may be ideal to transfer the function of compilation of accounts from the AG to the state government. This would avoid duplication as compilation of accounts is only a by-product of analysis of financial information and the AG could also thereby be enabled to concentrate on his primary function of audit.

Thus, the objectives of the computerised financial information system are to provide all relevant information to the state government from time to time for scientific budgeting and budgetary control within an appropriate time-frame and it should be able to take over compilation of accounts as and when desired. The system should act as a model for other states to follow. The Government of Gujarat took the final decision accordingly in the beginning of 1980, appointed the IIPA as its consultants, and also created the EDP Cell under the state directorate of accounts and treasuries for working out the new system of computerised treasury accounts.

EVOLUTION OF THE SYSTEM FOR GUJARAT GOVERNMENT

The work of systems analysis and design was started by the EDP Cell in the month of February 1980. One of the important aspects to be kept in view was that the system was designed as a financial information system, which was not supposed to replace the existing accounting system operated by the state's AG. The AG was to continue as the keeper of the accounts, in terms of provisions of Section 10 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971. This situation, therefore, imposed certain limitations and constraints on the work of designing the new system. These constraints were identified as discussed below.

As stated earlier, the AG was to continue his statutory function of accounts keeping, and for that reason the conventional data flow, as outlined earlier, was to continue. The new system was, therefore, supposed to have its roots, and subsequent linkages with the traditional data flow to ensure firm consistency and agreement in the processed information at the end of both the systems. This compulsion was certainly to have some adverse impact on the innovative ideas in the realm of accounts keeping, while designing the system.

The government environment was another factor which could not be overlooked. Under the present treasury system of working, for example, the paid vouchers, are not retained at the treasury; they are bundled off to the AG's office and then they are not easily accessible for verification or referencing. This situation and other similar constraints under which the new system was to work, was to have

special impact on the system to be designed. As the input documents would not be available subsequently, it was thought appropriate that, to the extent possible, there should be a decentralised data processing pattern. This would ensure smooth operation of error-free data entry work.

Lastly, but not of lesser importance was the consideration of minimising harassment to the tax-payers, pensioners, etc., in filling up various forms, which were ultimately to be used as input documents for the new system. This philosophy warranted that the existing procedures of receiving money at the treasury, of disbursing money to various claimants, should, as far as possible, be allowed to continue, without any detriment to the totality of data-capturing operations.

OUTPUT AND INPUT DESIGN

The work of determining the structure of outputs was naturally undertaken first of all. Initially, some 21 output reports were designed to cater to the needs of different types of information. But subsequently, it was thought beneficial to squeeze them into eight reports without impairing their total utility. The formats of these output reports were referred to various departments in the Secretariat to ascertain whether those would suffice or whether any modification was needed. Important suggestions were received from couple of departments, which were considered at the time of finalisation under orders of the state government.

The structure of the output reports is pyramidal with grand summary report at the vertex point, supported by semi-quick summaries, and the detailed analysis at the base level. Another important feature detailed with the output structure was that grand summary was also to serve as the final check-point in the validation procedure.

The output reports at the grand summary level would reveal district-wise receipts and disbursements for the month, with opening and closing cash balances at each district treasury and the extent of accretion to and depletion of bank balance of the state government (known as Reserve Bank Deposit amount in the treasury parlance). At the middle level of semi-quick summaries, the district-wise position of receipts and expenditure, with progressive status, and the percentage comparison with the state budget would be forthcoming. At the bottom level of the detailed analysis, the report would contain further details of expenditure and receipts, by individual drawing and disbursing officer, by individual plan schemes in case of the plan expenditure and various other items useful for better control over the expenditure. Similarly, for receipts, the detailed analysis

would contain the break-up of receipts which is useful for purposeful monitoring of this aspect.

After having decided about the output reports and its structure, the next step in the system designing was to work out a suitable record design for the input structure. Lot of work was required to be done in this area, firstly, to ensure that the constraints referred to earlier were honoured, and secondly, to see that the input structure does not get loaded with redundant data items and thereby become over-comprehensive. The over-comprehensiveness would have meant avoidable recurring cost in the data capture operation to the state exchequer.

While deciding the input structure, all the essential characteristics of government accounting system--viz., nature of expenditure, legislative authorisation reference, the category of the budget, like 'non-plan', and 'plan', were required to be taken care of so that the system could be approved by the Indian Audit Department. Accordingly, the record design of 54 characters containing the following data items was decided:

1. District,
2. Month and Year,
3. Voucher Number,
4. Class of Expenditure,
5. Fund,
6. Drawing Officer,
7. Demand Number,
8. Type of Budget,
9. Plan Scheme Number,
10. Accounting Classification,
11. Disbursement/Receipt Code, and
12. Amount.

All the above mentioned data items of the record-design are not relevant for different types of financial transactions. For example, for receipt transactions, class of expenditure, demand number (denoting legislative authorisation reference) are not relevant. There could have, therefore, been a different input record design for different types of financial transactions. But such different record-designs would have caused considerable strain on the data entry work, and thereby reduced throughput. Again, the computer application for the financial data was to be introduced in each of the districts where the computer culture was relatively new. For all such considerations, it was thought that the data-capture procedure should remain as simple as possible, and hence the decision to have a

single record design for every type of financial transaction. Wherever particular data item was irrelevant, zero was placed as redundancy code.

As stated earlier, there would be eight different outputs containing multi-angled analysis of the financial transactions taking place at various district treasuries in the state every month. Apparently these should be adequately useful in certain administrative decision-making at various levels in the state government. In the following paragraphs, some reflections in this regard are presented.

Output No. 1 is grand summary report containing the monthly district-wise financial position and the position of the Reserve Bank Deposit. This report can help the state government to monitor its resource position by initiating timely remedial action in consultation with the Reserve Bank and the Central Government. Besides, it could help in understanding the district-wise trend of government spending and its socio-political impact.

Output No. 2, a district-wise summary of receipts, is a type of semi-quick summary which provides information about governmental receipts under various heads which can help in monitoring government revenue by each district. In case the state government desires in future to prescribe district-wise targets for realisation of the tax-revenue and to evaluate performance of its district officers, the information in this report would greatly help.

Output No. 3 would contain the total revenue receipts by individual head with status position by showing the comparison with the state budget. This would help periodical review of receipts and timely remedial action wherever bottlenecks exist in realisation of government dues.

Similarly, on the expenditure side, the corresponding output reports No. 4 and 5 could likewise be meaningful to the administration. Again, these reports could be used as the tool for exercising better control over spending by individual drawing and disbursing officers of the various departments.

The detailed analysis contained in reports No. 6 (receipts), 7 and 8 (expenditure) would be more useful at the middle level in the administration for minute watch and control, which is also very essential for the state exchequer.

The system has potential and capabilities of generating various on-demand reports in addition to the pre-determined routine reports. For example, if information about the government spending on purchase of stores in connection with execution of Narmada Project is required or, to cite another example, if the information about spending in the tribal areas under the aegis of different departments is needed, the system can do so. With such on-demand information generating from

the system, it may be hoped that the state government would be better equipped for scientific decision-making and giving better administration to the tax-payers.

DESIGN OF CODING STRUCTURE

The work of determination of code structure for each of the above mentioned data items was then undertaken. Fixation of numeric serial codes for all data items, except for the drawing and disbursing officer, plan-scheme number, and the accounting classification, was relatively easier to decide and that was quickly done.

While fixing the codes for the drawing and disbursing officers in the state, care was required to be taken to see that the coding structure enables control over expenditure through the proposed system. Secondly, the concept of 'Drawing and Disbursing Officer' was to be so defined that, unlike the provisions of Government Treasury Rules, it should accommodate all types of claimants at the Government Treasury, irrespective of the fact whether or not such claimants were in the government employment. Thirdly, for obvious reasons, special care was required to be taken for claimants, like members of the legislative assembly, and government pensioners. An extensive analysis of the existing system and procedures was made, and the coding structure was worked out on the following broad lines:

1. It shall be a 3-digit numeric code: unique within the district;
2. Range coding should first be decided for each category of claimants;
3. For claimants not in the government employment, a 3-digit code of the government officers, with whom the financial transaction is associated, should be fixed; and
4. For members of the legislative assembly and pensioners, the 3-digit code respectively of the legislature secretary and the district treasury officer should be fixed.

With the above mentioned framework, it was possible to arrange for expeditious census of all the drawing and disbursing officers in the state, and rope them in the proposed system by assigning appropriate 3-digit numeric code. District-wise directories of these were compiled and furnished to the respective district treasury officers, simultaneously informing the individual officer of his code number under the proposed system.

The plan expenditure in government is sanctioned, and incurred for the individual schemes, under each plan-sector. The structure of plan sectors is prescribed by the Planning Commission, and each

scheme sanctioned by the planning machinery in the state administration is identifiable with reference to its present 3-digit alpha code for the sector/sub-sector followed by the number of the individual scheme. This all-India structure of Plan scheme has been broadly retained while evolving the coding pattern for the proposed system in the state. Slight improvements have been designed to suit the local requirement of the state planning machinery and a 7-digit numeric code pattern, incorporating sector and sub-sector identity, has been finally accepted. The directory thereof has been compiled.

The present 5-tier system of accounting classification in government accounts is sacrosanct for all purposes. Keeping this firmly in view, the coding structure for accounting classification was evolved by providing 3 digits (existing) for major head; 2 digits for sub-major head; 3 digits for minor head; 2 digits for sub-head, and 3 digits for detailed head. It was also thought desirable to sandwich check digit between sub-head level code, and detailed head level code, thus making the entire accounting classification code of 14 digits.

In this 14-digit code, the identity of sector and sub-sector might appear to be missing, and to that extent, it could be alleged that there has been deviation from the traditional 5-tier classification. The sector and sub-sector is merely group arrangement for the specified major heads and, therefore, instead of providing a separate code, and thereby increasing the complexity of the system, it was thought desirable to generate the said arrangements in the output by suitably providing for that in the programme.

The directories of accounting classification codes up to the level of sub-head, and the check digit, based on modulus-10 method, have been compiled in four different volumes for distribution to various offices where the input preparation and input scrutiny work is to be done.

FORMS DESIGN

After having decided about the record-design and about the input codes, the next issue to be worked on was the designing of input forms for the proposed system since the traditional forms of the bills of various categories would not facilitate the display of the computer data for the purpose of data entry. Various alternatives were examined. One of the alternatives was tear-off slips being attached with the traditional vouchers and these slips, after being detached, should serve as the input for the system. The distinct advantage in this approach was that there was no need to have special forms printed--a massive job for the government system--and distri-

buted for being used, so that the administration could switch over to the computer with ease. Such a system was already in vogue in Maharashtra and it was, therefore, decided to undertake the study of the Maharashtra experiment about this tear-off slip before finally working on any set idea.

The study revealed that the tear-off slip method of collecting the data was fraught with risk of inaccurate data being collected on massive scale for two reasons: firstly, there was lack of sanctity in preparation of data on the tear-off slip and their scrutiny in the treasury. The term 'tear-off' somehow was stigmatic to suggest something worthless to be torn off. Secondly, under this method, the data was being collected from a document other than the source documents, therefore, chances of variations in the data could not be ruled out.

Collecting error-free data would hardly need any reiteration. It was, therefore, imperative for us to devise such a system of data collection whereunder it should be possible to collect the data, as far as possible, from the source document so that chances of errors creeping in could be lowest and, secondly, the cost of data collection could be minimum to the exchequer. To fulfil these requirements, the data collection system was devised as given in the following paras.

It was decided that in respect of certain specified categories of the financial transactions, the computer data should be displayed on the bills themselves by various departmental officers presenting these bills to government treasury, and for this purpose forms of relevant types of bills should be revised so as to ensure display of various computer input data on them. While revising the forms, emphasis should be on making such display an integral part of the bill, so that every care is bestowed at every level in the preparation and scrutiny thereof. This would also facilitate capturing of the data into the system from source documents only.

In certain other categories of financial transactions, like government receipts and pension payments, the treasuries do compute the accounts figure daily under the traditional method. With certain adjustments in the manual processing, these sets of figures could be used as input for the system. As much, there would be no need to tinker with the existing formats and procedure of bill preparation except that simple forms for daily inputs for specified transactions in the internal working of the treasury would need to be designed in such a way that various codes in regard to various parameters are pre-printed so that input preparation in government treasury involves less of manual operations.

The third set of financial transactions comprised those taking

place in the Public Works Department and the Forest Department, which are authorised to draw cheques independent of the government treasury. These departments compile their monthly accounts and send them to the AG. The forms of these monthly accounts have been slightly revised to accommodate display of various codes, so that the data thereon could be conveniently captured in the system.

While designing the various input forms, as stated above, and prescribing the procedure for the data capture, suitable sub-system for validation of data at the time of preparing the input and at the time of entering data has also been developed so that the constraints referred to earlier were duly honoured.

SYSTEM DESIGN

The input to the system is the voucher in case of expenditure and daily input sheet in case of receipts for the transactions executed at the treasuries. For transactions of Public Works Department and Forest Department, the input consists of monthly compiled accounts. The outputs from the system are the eight periodical reports as described earlier, apart from any on-demand reports which may be generated. The design of the system for the transformation of the inputs into the outputs consists of the following steps:

1. Punching and verification of vouchers and daily input sheets at the data centres located in district treasuries in case of transactions at the treasuries and monthly compiled accounts of PWD and Forest Department at the EDP Cell, Gandhinagar.
2. Validation of punched data through applying the following validation checks at the time of transcription of data:
 - (a) Checking the net total of payments and deductions in a voucher.
 - (b) Checking of totals of net amounts for a batch of voucher.
 - (c) Checking of daily cash balance. The total of net payments and receipts during a day at a treasury must tally with reference to the physical cash balance at the treasury.
 - (d) Checking of serial order of voucher numbers and the number of vouchers in each batch.
 - (e) Checking of check digit in case of account code.
 - (f) Checking of range and type of code in case of fund, class of expenditure, etc.
 - (g) Checking for valid combination of codes for payments and receipt, transactions according to the decision table.

3. Transfer of validated transactions on floppy disks to the EDP Cell, Gandhinagar, on a weekly basis.
4. Conversion of data from floppy disk to tape media to generate transaction file for the state, using floppy-to-tape convertor at the EDP Cell.
5. Punching and verification of budget expenditure and budget receipt files (annually).
6. Validation of transaction file using state government computer. In addition to the validation checks made at the data capture stage, the following additional checks are incorporated in this validation run:
 - (a) Validity of the detailed head codes with reference to the nature of transaction (whether it is receipt transaction or a payment transaction), and
 - (b) Range checking with regard to the district code, and the month and year code of the date.
7. Transcription of transaction relating to deductions from payment captured from payment vouchers into appropriate receipt records with appropriate account code and printing of Reserve Bank Deposit Statement (Report No. 1).
8. Separation of payment and receipt records into expenditure and receipt transaction files respectively.
9. Sort Expenditure transaction file into Budget/Fund/Class/Demand/DO/District/Account head sequence.
10. Update Progressive/Budget Expenditure file with Expenditure transaction file.
11. Print Detailed Expenditure Statement (Report No. 7 and 8) and generate summary expenditure file.
12. Sort Summary Expenditure file into Fund/Class/District/Major Head sequence.
13. Print District-wise Summary Expenditure Statement (Report No. 4).
14. Sort Summary Expenditure file into Fund/Class/Demand/Major Head sequence.
15. Print Summary Expenditure Statement (Report No. 5).
16. Sort Receipt Expenditure file into Account Head/District sequence.
17. Update progressive/budget receipt file with receipt transaction file and print detailed receipt statement (Report No. 6).
18. Sort Progressive Receipt file into Major Head/District sequence.
19. Print Summary Receipt Statement (Report No. 3) and generate

summary receipt file.

20. Sort Summary Receipt file into District/Major Head sequence.
21. Print District-wise Summary Receipt Statement (Report No. 2).

INSTALLATION OF HARDWARE

The Government of Gujarat already had the ICL 1901-A computer installed at the State Computer Centre. This centre is in the process of being upgraded with the installation of bigger and more modern computer. The financial information system would use the state computer centre for final processing and printing of reports. But no facilities of data capture or processing existed in the districts. It was, therefore, necessary to set up data centres in all district treasuries and Pay and Accounts offices for the purpose of punching, verification and validation. According to the workload at each district, the number of data-entry machines required at each district was worked out. It came to a total of 67 machines for all the centres. In addition, convertors were required to be installed at the EDP Cell in Gandhinagar for transcription of data from floppy disk to tape media before its processing at the state computer centre.

The validation checks required to be carried out at data capture stage required the facility of net totalling of positive and negative amounts, checking of check digits, decision table checks, etc. This required a certain amount of intelligence in the data-entry machines. It was found on inviting tenders that many of the data-entry machines offered in the market did not provide such facility. So, the choice for equipment was limited by the validation needs of the system. According to this main criterion and other factors, one manufacturer was identified for the supply of machines during the pilot run and the same manufacturer along with another one was identified for the purchase during the first and second phase of implementation.

Setting up of data centres at district treasuries and the EDP Cell required the construction/acquisition of suitable rooms, preparation of rooms, and appointment and training of punch operators, apart from purchase and installation of machinery.

TRAINING

A large number of staff and officers are involved in the operation of the system. This includes the staff at the treasuries and sub-treasuries honouring the vouchers and those at the offices of disbursing officers, preparing the vouchers. The success of the system

depends on proper understanding of the system by these people and feeding the correct data in the correct form to the system. It also depends on how the users of the system use the output reports generated by the system. For this purpose, a large number of training programmes were organised. The training was imparted at the following three levels:

1. Courses on 'Computer Input Preparation' were organised for the staff of the district treasuries and those of the disbursing officers. Training was imparted to about 7,800 staff members in several batches spread over a period of two years.
2. Courses on 'Users Orientation to Computer' were organised for treasury officers, accounts officers and pay and accounts officers. This training was imparted to 60 officers in two batches.
3. Seminar on 'Computer Based Information System' was organised for the officers of executive departments, using the output reports of the system.

SYSTEM IMPLEMENTATION

The state government had decided to launch the new system in a phased manner, preceded by the pilot run in two districts of the state. Accordingly, the districts of Gandhinagar, being the capital district of the state, and of Surendranagar were selected for pilot run. The latter district was selected for the specific reason that it was comparatively a backward district, and that the adaptability of the computer culture could be put to a test in a better way. The pilot run commenced from February 1, 1983.

The pilot run implementation had, of course, to pass through some teething troubles, but one of the encouraging aspects that emerged through this was that the extent of errors in data-entry operations in these two districts was very insignificant. It was two per cent in the first month, and came down to less than 0.1 per cent in subsequent months. This was a good proof of the effectiveness of accurate data collection, and data validation procedures followed both at the district treasuries and the EDP Cell.

The pilot run phase was followed by the first phase of implementation covering eight more districts with effect from April 1, 1984. The second and the final phase of implementation commenced in all the remaining districts of the state from January 1, 1985. The test run was successfully conducted in the entire state during January to March 1985. The system has been duly launched with effect from 1985-86, the first year of the Seventh Five-Year Plan period.

The timeliness of computer system result was one of the most important requirements, and therefore, if the proposed system was to betray indifference towards the time-schedule exercise for the data-flow, it would be a sheer waste. As outlined earlier, some information--may be superficial--was available under the traditional reporting 45 days after the close of the month, and this was looked upon as inadequate. The time schedule for the data flow for the system has now been aimed at as given in the following paras.

The district treasury would continue to process the data manually, as has been done hitherto and, in addition, would also perform the data-entry operations concurrently, and create data floppies.

The data floppies would be sent four times in a month to the EDP Cell at the state headquarters in such a way that the last set of the monthly data would be available in the Cell by 7th of the subsequent month.

The other data from the PWD and Forest departments, as referred to earlier, would be available by 12th of the subsequent month, and the EDP Cell would put these data on the floppies, and further on to the tapes, by 16th or 17th of the said subsequent month.

In the meanwhile, the treasury data would have been converted on to the tapes at the EDP Cell in such a way that all the data tapes are ready for final processing on the main computer by 17th or 18th of the said subsequent month.

The time earmarked for the main frame operations would be between 18th and 24th of the said subsequent month, so that the pre-defined outputs could be available by 25th of that month.

Thus, the time-schedule, as envisaged now, would make it possible for the system to generate outputs latest by 25th of the subsequent month, and this is going to be the distinct benefit flowing from the system.

Using Computers for Malaria Eradication

ARUN DEEKSHIT

TODAY, MALARIA has been eradicated from many areas of the world where it was previously endemic. Yet there are 350 million people living in areas of the world where malaria is still endemic. In the middle of this century, there were three million deaths annually caused by malaria; India accounting for nearly one million of them. Since then intensive and systematic malaria eradication and control programmes have been installed in countries all over the world, and in India since 1953. Yet malaria is prevalent in many parts of India. Resurgence of malaria in recent years, after a moderate success in containing it, has posed a formidable challenge to public health administration.

Malaria is one of the diseases known to man from ancient times. But medical studies on malaria, until the middle of 19th century, were concerned with generalisations on the circumstances in which the disease occurred, which made it possible mainly to avoid the disease. It was towards the end of 19th century that scientists like Ronald Ross¹ proved that malaria was transmitted by the female mosquito. With the advent of DDT in the early 1940s, spectacular reduction in the incidence of malaria all over the world was achieved.

NATIONAL MALARIA ERADICATION PROGRAMME

In 1953, the Government of India launched a programme of malaria control in the country. The results in the beginning were so encouraging that in 1958 the programme was converted into National Malaria Eradication Programme (NMEP), which aimed hopefully at wiping out the disease in 10 years. The strategy consisted of two-pronged attack on mosquito vector which transmits the disease and on parasites which thrive in human body. The instruments of attack were spraying of insecticides to reduce the mosquito population and administration of drugs to kill the parasites in human body.

The entire country was divided into zones. A basic health worker went door to door twice a month and collected blood smears from all fever cases. These were examined by a trained laboratory technician for positive evidence of malaria parasites. The basic health worker or the surveillance inspector went back to all positive cases to administer anti-malaria drugs.

In the 'attack' phase, all households and the surroundings were sprayed twice a year until the incidence was reduced to less than 100 positive cases in a population of one million. Then the zone passed into a 'consolidation' phase when spraying of insecticides was done only in the areas where positive incidence occurred. When the incidence was reduced to nil, the zone passed into 'maintenance' phase where the respective state government took over the responsibility of vigilance.

In the long period of a quarter of a century, the NMEP has gone through great ups and downs, hopes and despair, achievements and setbacks. Within 11 years since the launching of the programme, the malaria incidence was brought down remarkably from 75 million cases to 80,000 cases in the country. But subsequently it rose to 1.5 lakh in 1966, 2.5 lakh in 1969, and 2.5 million in 1974. In many instances, malaria reappeared where it had been completely eradicated.

Disturbing new dimensions were added to the problem, when in many areas malaria vectors developed resistance to conventional insecticides and strains of parasites emerged which were resistant to conventional drugs. There were also the problems of shortage of drugs, high prices of the insecticides after the price hike in petroleum, change in the habits and attitudes of people, and so on.

To overcome these difficulties in a pragmatic manner, NMEP has revised its strategies, improved its administration and sought more effective scientific and technological tools. Research bodies, such as the Indian Council of Medical Research, have been keenly alive to this problem. Considerable work is being done in clinical, biological, ecological, epidemiological and entomological aspects of malaria to develop appropriate tools.

ROLE OF COMPUTERS

Because of the growing need for sophistication in the administration, computers are now beginning to play a role in NMEP. Majority of the administrative and operational decisions of NMEP are based on information which is primarily quantitative in nature. Processing of the information for any practical use involves huge amount of computations. Computers can store large amount of data in a systematic manner and perform computations with accuracy and speed to help the administrators in making timely decisions in policies, resource

allocations and operations.

Typically, routine operational measures are of three kinds. Prevention is concerned with spraying operations, such as, schedules, coverage of households, types, amounts of insecticides, etc. Detection involves intensity and frequency of surveillance and promptness in examination of blood smears. Control comprises prompt treatment of cases found positive. Efficiency of these routine measures depends upon regular monitoring of these activities and timely mobilisation of resources and manpower.

Preparatory measures for prevention of malaria epidemics and control of incidence depend upon the ability to forecast epidemics and endemicities of malaria in different areas in advance. This has now assumed a degree of urgency since the complexities of control over the years have increased. Refined forecasts depend upon accurate and up to-date information of the various variables which affect the spread of the disease. Computerisation will enable capture and storage of data on these critical variables. This will then form a data bank which can be used for various analytical studies useful in administration.

Computerised management information system (MIS) for NMEP will have two-fold purpose. Firstly, it will generate periodical reports required at district, state and Central level for policy decisions. For example, a report on mosquito's resistance to insecticides in different regions, based upon field investigations data, can be used in deciding the type and amount of insecticides to be used in those regions.

Secondly, the incidence data along with climatological parameters, such as temperature, rainfall, humidity, etc.; entomological parameters, such as mosquito survival rates, incubation periods, mixture of mosquito species, etc.; and epidemiological parameters, such as movement of population, immunity level of the population, etc., captured by the information system will provide indicators of the expected severity and spread of the disease. These will help the administrator in advance planning of surveillance and spraying.

Model building to forecast malaria flare-ups and malaria incidences and to measure the effectiveness of various actions is of prime importance in effective control of malaria because major operational decisions are centred around the expected severity of the disease. A mathematical model conceptualises the underlying processes and the mutual relationships of the various factors to describe the behaviour of the process in terms of a few parameters. Investigations on the epidemiological aspects will eventually lead to robust spread models which take into account the critical factors, such as immunity level of the population, climate, ecology, customs and

habits of the people, resistance of the vectors to insecticides, effectiveness of different drugs and so on.²

Scientists in various fields are engaged in studying these factors in relation to malaria. Their efforts will indicate the variables which need to be systematically captured. Computerised data bank will store the epidemiological parameters of the various regions. Simultaneously, models could be developed to translate the results of epidemiological and entomological investigations into applicable and workable methodology capable of forecasting trends of incidences in different regions.³ Periodical reports on the anticipated trends can be used for appropriate interventions at various levels of operations.

COMPUTER USE IN MALARIA ERADICATION IN ANDHRA PRADESH

Deriving full benefits of capabilities of computer, in terms of its speed and volume, requires certain degree of familiarity and appreciation on the part of decision-makers. The Administrative Staff College of India, in cooperation with the Directorate of Medical and Health Services, had undertaken a study to assess the use of analytical tools in administration based upon a computerised data bank. Support was provided by the Technological Development Council of the Electronics Commission. Details of incidences, blood smear collections, spraying and surveillance operations, climate, etc., were captured in Araku Valley, an endemic area with population of 50,000 in Andhra Pradesh, for a span of 10 years.

Based upon the results of the study, the state government implemented a refined spraying schedule programme on an experimental basis. The programme drew spraying schedules for the following year, making use of projected trends provided by a computer model which takes into account the seasonality indicated by climatological variables.

IN SUMMARY

As the user's approach to the computer becomes mature, more sophisticated and efficient techniques can be introduced in the administration. For instance, a simulation approach would seem appropriate to dynamically allocate available resources to combat malaria. Timing of spraying operations, amounts of insecticides, number of surveillance workers and laboratory technicians, stocks of drugs, etc., are some of the variables whose effect upon the endemic nature of the disease can be foreseen by simulating the environments on the computer. It will help in estimating the requirements of different

regions and also in time of need, in deciding the transfer of resources of one place to another so that the overall effectiveness is maximised.

With the increasing awareness of the needs and benefits of its use, computers will play increasing role in the malaria eradication programme. A large scale computer based experiment to study and establish relationships of the climatological variables with the incidences will be most appropriate at this juncture. A well devised computerised MIS will be a valuable tool for achieving efficiency and effectiveness of the programme.

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BOOK REVIEWS

Governmental Structure and Local Public Finance

DAVID L. CHICOINE AND NORMAN WALZER, Oelgeschlager, Boston, Massachusetts, Gunn & Hain Publishers, Inc., 1985.

In the United States, there have been debates over the rationale for having numerous local government units for the supply of a variety of local services. The local governmental situation has often been described as a crazy-quilt pattern, a maze of governmental units which the common citizenry and the tax payers can not comprehend properly. For instance, in 1982, there were 82,637 units of local government in USA. The counties and townships were established more than a century ago. Population shifts led to creation of municipalities and a wide range of single-purpose service districts concerned with such functions as parks and recreation, libraries, water supply, sanitation, so on and so forth.

There has been a variety of reactions to this phenomenon of local government fragmentation. Comments have been made on duplication of services, overlapping responsibilities, political unresponsiveness and uncoordinated replication. Citizens have been offered the opportunity to eliminate governmental units. But practically the use of the referendum has not been very successful. So the governmental multiplicity at the local level persists. There have been advocates of the view-point that governmental multiplicity means over-taxation and inefficiency. Even the Advisory Commission on Inter-Governmental Relations argued in favour of reduction of a number of local government units in the interest of better management of the local services and facilities.

Academic research on the phenomenon of governmental multiplicity at the local level has come out with mixed findings. The 'public choice school' argues that residents in local areas are allowed maximum choice in a situation of multiplicity of governments. In their view, the revenue instruments used to finance the local services will select most efficient government units and as a result the inefficient government units will collapse. The contrasting view is more pragmatic, arguing that many governments mean conflicts, lack of coordination, wastage and inefficiency.

Against this background, the present research study examines the factors that influence the structure of government used to provide services, the impact of numbers and structure of governments on the revenue composition used to finance services, the importance of fragmentation in determining the cost of local services and finally the perception of residents about quality of local services rendered by the wide variety of units of governments. The research locale is Illinois state which had 6,462 units of local government, or one governmental unit for every 1,767 residents in 1982. Thematically, the study deserves commendation. This is a contribution not only to research on the phenomenon of multiplicity of governments at the local level but also to the theory of local government in a situation of fragmentation and multiplication.

The findings of the study are not always as convincing as the researchers have made out to be. The reason for this can be traced to the methodology itself of the study. For instance, the study sought to measure local government activities with the help of three indices, viz., revenue, expenditure and employment. To try to measure governmental activities with the help of expenditure may not always be very helpful for the reason that expenditure speaks little of the quality and quantity of services and their distributive aspects. Again, the overall social, economic and governmental framework, within which local government units function, impose constraints on actual local government functioning. Hence, there exists a degree of elusiveness about local government's performance in any rigorous scientific analysis.

Despite these constraints, some interesting findings are worth our quotation. For instance, a strong positive relationship was found between the number of governments and per capita expenditure. The governmental fragmentation seems to have led to high spending for such services as libraries, roads, streets and education. Also expenditure on administrative overhead seems to have mounted considerably because of the multiplicity of governments. There are indications in the study that the commonly held view of complementarity among local public services and their duplication is not to be lightly brushed aside. The research finding seems to be pointing out that a greater cooperation in the provision of services could have reduced expenditures and this, in turn, could have reduced the tax burden on the lay citizen.

Regarding public perceptions of public services, the findings are mixed. It has been reported that governmental fragmentation was associated with lower perceptions of services and this is not supportive of the notion that smaller governments are more receptive to citizens' desire. Another important finding is that per capita expen-

ditures of local services are not significantly related to citizens perceptions. It was expected that additional inputs would raise the visibility of the services and would, therefore, lead to more favourable citizens' reactions. The findings, however, disprove this fairly conclusively. It has, of course, been conceded by the researchers that citizens' perceptions depend on many factors, including governmental structure through which the services are provided. Even then the limited evidence seems to point out the limitation and weaknesses of governmental fragmentation at the local level.

The study has been conducted on the conventional pluralist view of the American society. No where have the researchers raised the question of gross income inequality and the problem of racism in American society. The assumption throughout has been that the governmental structure is neutral and the services are delivered universally without discrimination for race, colour or income. It is interesting to find out to what extent the fragmented structure of local government in USA is a political expression of the kind of class society that America has. Is fragmentation a deliberate method of excluding certain sections of the public from enjoying the local public service? This line of inquiry has been scrupulously avoided in the present study. Public perceptions of public services beg the nature of the public identified as respondents. Depending on what class of respondents is included in a questionnaire survey, research findings are bound to reveal typical reactions. The present study seems to betray this sort of methodological manoeuvre.

--MOHIT BHATTACHARYA

Essays in Public Administration

P.R. DUBHASHI, New Delhi, NBO Publishers Distributors, 1985, p. 376, Rs. 195.00.

The book is a collection of 40 papers on different aspects of public administration and provides an integrated perspective on the problems of public administration. The essays bear an indelible imprint of the author's wide experience and deep scholarship gained through his participation in the theory and practice of public administration in India.

The book contains eight sections. Section one has seven essays on 'General Administration' in which themes of general nature have been discussed. The next section again has seven essays which deal with 'Administrative Reforms'. The author is of the opinion that the approach to reform in public administration has to be holistic rather

than partial or fragmented. This section also provides information on administrative reforms abroad, especially in Great Britain, Japan and Federal Republic of Germany. Section Three having eight essays, deals with another important area of 'Development Administration'. It comprehensively deals with the role played by Indian administration in the process of nation building, the organisational changes and personnel management for development administration. The author has also focussed on inherent conflict between departmentalism and the concept of area development. Organisation--the keyelement in administration has been discussed in two essays in which two case studies relating to building of new administrative organisations and organisational behaviour in public administration have been discussed at length. The fourth section, containing three essays, deals with 'Efficiency and Productivity' in public administration. The concept, criteria and measurement of efficiency and the practical steps that can be taken to introduce efficiency in civil service have been discussed while in another essay focus has been laid on productivity in Public Administration yet another essay of this section analyses the causes of delay and suggests steps that need to be taken to expedite decision-making.

The fifth section, entitled "Administrative Functions", has two essays--one on 'Policy Formulation in Government' and the other on 'Report Writing'. The former distinguishes policies from plans and analyses the process of policy-making, implementation and monitoring, while the latter, dealing with various kinds of reports that need to be prepared, draws attention to the merits of a good report. The sixth section containing seven essays is on 'Bureaucracy' wherein this important aspect of public administration has been discussed from various angles--ranging from defining the concept of bureaucracy, its characteristics and role in development as well as in bringing about socialism. It further explains the changing role of bureaucracy in India and the extent to which bureaucracy has been able to perform the assigned tasks. The essay on "Role and Relevance of Civil Service" analyses the manner in which bureaucracy should function in a system of parliamentary democracy. The last essay in this section deals with the need for developing a proper relationship between civil servants and political executive. The seventh section containing three essays deals with three important functionaries in the government, namely--the secretary to government, the establishment officer in Government of India, and the divisional commissioner. These essays discuss in detail the genesis, functions, powers and position of these functionaries. The last section, entitled 'Training in Public Administration', also has three essays. The concept of training has been dealt with at length ranging from various types of

training required for persons engaged in development administration followed by a glimpse of new dimensions of training in public administration. The third essay draws attention to strengthening the training facilities through building up training institutions, improving the design and content of training courses, staff development and building up an infrastructure for this vital aspect of personnel administration.

On the whole, these essays cover a wide spectrum of public administration and provide insights on the theory and practice of public administration. The book is really a valuable contribution to the literature on the subject for which Dr. Dubhashi deserves congratulations. It is hoped that this collection would be found useful and interesting both by the students and practitioners of public administration. The printing and get-up of the book is quite satisfactory but the price is towards the higher side making it difficult to reach the common reader.

--HARBANS PATHAK

Morale in the Civil Service: A Study of Section Officers in the Rajasthan Secretariat

P.S. BHATNAGAR, Jaipur, Indian Society for Public Affairs, 1984, p. 94, Rs. 65.00.

It has been well recognised that the efficiency of a civil service depends on its morale which, in turn, is influenced by a number of factors like the quality of personnel, administrative structure, conditions of service and work and so on. Needless to dilate upon the importance of morale in the present context of the civil service being assigned greater responsibilities under the development plans. But unfortunately, as stated by the author, there are practically no studies on the subject of morale in the Indian Civil Service. On the other hand, administrationists, administrators, political leaders, and citizens have been making statements lamenting on the declining morale of the civil servants. Such statements are based largely on their impressions. It is in this context that one should be happy to read Bhatnagar's book to gain some insights into the concept of morale, its various aspects and dimensions, and its determinants as revealed by a detailed investigation. Studies like the present one will help develop appropriate measures to improve morale.

The book under review attempts to focus on the subject of morale in the civil service at the middle management level, namely, the section officers in the Rajasthan Secretariat. In this short exploratory study, Bhatnagar makes a fairly good attempt to investigate

the determinants of morale in a governmental setting and examines whether they are in agreement with the findings of writers on morale in industrial settings.

The study is based on empirical data pertaining to section officers in the Rajasthan Secretariat. As is well known, they play an important part by processing cases and by assisting the higher level officers in many functions that are assigned to the secretariat, which is the seat of the government. Data was collected by using a largely structured questionnaire. Questions pertaining to the officers' background, promotions, salary, job-attitudes, job satisfaction, job relationships, were asked to elicit responses. The data was used originally by the author to write his monograph in partial fulfilment of the requirements of the Advanced Professional Programme in Public Administration conducted by the IIPA, New Delhi.

The main findings of the author are as follows: (1) The job requirements match the qualifications, experience, and skills of the section officers. (2) Their knowledge and perceptions of factors that affect job content carry a lot of weight and conviction (3) A majority of the section officers believe that their jobs require abilities which they possess and that they, therefore, have greater job satisfaction. (4) In general, they find their job to be interesting and that the nature of work is sometimes difficult and sometimes easy. (5) A majority of the section officers are not eager to change the job. (6) The section officers are not only aware of the goals of their departments but also feel that they are of importance to the community. (7) The superiors of the section officers are encouraging the latter to display some initiative in the job, but the extent of authority available to them to function effectively is not sufficient. (8) The section officers are, by and large, satisfied with their salary and other related benefits except in regard to promotion. (9) The relationship of the section officers with their superiors is cordial and harmonious, that the latter repose sufficient confidence in the former's experience and knowledge, and that they do not unnecessarily influence or interfere in the former's working. Towards the end of the study, the author gives an overall assessment to the effect that the section officers are a satisfied lot of employees. Finally, the important finding is that the author's investigation partially confirms Herzberg's dual-factor theory.

Two findings are contrary to the generally held view. One, it refutes the belief that higher level officers interfere too much in the working of the subordinates. Two, it refutes the belief that administrators in India, especially at lower levels, are subject to pressures from superiors. The question here is: Will respondents be

honest in making such denials when responses are sought in writing through a questionnaire? There appears to be no reason to doubt their honesty if the data given in Tables 5.3. and 5.4 are any indication. Even so, it may be said that in such matters, it would have been better had the author cross-checked the responses by interviewing them.

The findings could have been strengthened by getting responses to some more questions like: what are their duties, what do they do after their office hours, how long do they stay in office after the office hours, do they think that they received promotions when due and whether they entertain any grievances in this regard, are they contented with the retirement benefits now available, in what forms do they get recognition for good work, how often do the section officers meet each other to discuss matters of common interest, and seek ideas, help and assistance, what impediments are hindering better performance, and such other questions.

The reader will find it difficult to agree with the findings/conclusions because of the following reasons. One, because of the sample drawn. Instead of seeking data from all the 86 section officers, which itself is a small number, the author has resorted to a sample of 50 (out of which 44 responded). It would not have posed any difficulty as the author himself says that all of them were located in the same building and that he experienced little difficulty in getting their cooperation. Had he contacted the entire group of section officers, the extent to which the conclusions can be generalised, would have increased. Second, the author says that the response 'rate' came to be very high as forty four (51.1 per cent) officers responded to the questionnaire" (p. 22). The use of the word 'rate' causes some confusion here. More than this, one will wonder as to how 44 constitutes 51.1 per cent especially when the author says that the response rate was very high. The reader may think that there is a printing mistake. But on close examination, it appears that the author has calculated the percentage of respondents, not with reference to the number of respondents canvassed (i.e., 50) as it ought to be, but with reference to the entire universe (i.e. N=86 section officers in this case). This is wrong because those who were excluded from serving as respondents have been included. The most important weakness of the study lies in the inappropriateness of the method of analysis of data. Itemwise percentages are very inadequate on a subject like this, as they do not give a composite picture of the state of morale. Had the author given numerical values or weights to the responses that would have enabled him to quantify the state of morale. In other words, he should have used the scaling technique. Consequently, the study as it stands is

no more than the simple study that was conceived and executed long back in 1979 without any sign of improvement. The author should have taken care to avoid the use of such words as 'we', 'indicant' for indicator on p. 83, and 'impose' (while meaning superiors' repose' confidence) on p. 45 and again on p. 82.

The interposing of tables at many places, with the headings printed in bold letters, makes it difficult for the reader to keep track of the text. Had the tables been printed in the same type face as that of the text, with adequate space left to distinguish the text and the tables, a better visual effect could have also been created. Likewise, for the convenience of the reader, the footnotes and references should have been printed at the bottom of the page concerned.

Despite the inadequacies in some respects, this book deserves to be welcomed. For, most of the first generation researchers in India face many difficulties which are too well-known. This modest exercise can serve as a basis to start with for further studies on the subject, of course, with refinements. Towards this end, this well documented study providing a bibliography also, would be useful.

--N. UMAPATHY

Industrial Development in the Punjab and Haryana

M.L. PANDIT, Delhi, B.R. Publishing Corporation, 1985, p. 192, Rs. 120.00.

This is an interesting book dealing with industrial development of the Punjab and Haryana since Independence. It makes an attempt to enquire into factors which influence location of footloose industries and development of a particular region in terms of such industries. For this, the author conducts an indepth study of data and statistics collected from the field as well as those available from a number of secondary sources. The main conclusion drawn by him is that industrial breakthrough in backward areas depends to a large extent on proper selection of industrial activities in relation to the available potential, skills and enterprise in a particular region.

The book consists of seven chapters and several supporting tables. Besides, there is a select bibliography. Chapter 1 is introductory. Chapter 2 provides a discussion of data sources. Chapter 3 gives an overview of industrial development in the Punjab and Haryana since Independence. Chapter 4 examines the structure of industries in the study area. The facts presented show the dominance of footloose industries. Chapter 5 deals with aspects related to identification of factors leading to or influencing the development of footloose

industries. This identification is attempted on the basis of a comparative analysis of the cost of production and the first-hand information gathered directly from industrial pioneers during field investigation. Chapter 6 provides an extensive discussion on role of entrepreneurs. Chapter 7 deals with different aspects of skilled labour. These seven chapters flow from each other in a logical sequence resulting in a neat and compact study. Facts presented are within the necessary theoretical framework and this makes the analysis very interesting. Wherever relevant, historical analogies from other countries have also been taken into account.

Industries which have developed in recent years in the Punjab and Haryana region, like bicycle and bicycle parts, sewing and knitting machines, water pipe fittings, hand tools, agricultural implements, machine tools, brass utensils, woollen hosiery, textiles, sports goods, rubber footwear, etc., are mostly dependent on outside sources both for supply of materials and the disposal of bulk output. For example, about two-fifths of industrial workers in the region are employed in industries where ferrous and non-ferrous metals constitute the main material inputs which have to be arranged from outside and usually from far-off places. Similar is the case with woollen textiles, hosiery, sports and rubber goods industries which employ over one-fifth of the industrial workers. Growth of these industries can be attributed to several factors. The author, however, concentrates on one factor, namely, availability of skilled manpower for the selected footloose industries. He shows how most of the skilled craft men from Pakistan came to Punjab after the partition and how they provided the base for industrial development in areas where they settled. He draws particular attention to migration of entrepreneurs belonging to Ramgarhia community, who constitute the backbone of engineering industries. This point has been very ably developed and adequately supported by collecting facts from different sources. The author also shows the link between development of irrigation and of industries. The former led to agricultural prosperity and demand for various kinds of agricultural hand tools and implements. "The development of these industries paved the way for the growth of machine tools and other related industries".

At the same time, there have been several other factors which have also played their part in the process of industrial development of the region. I may mention the role of appropriate policies specially at the national level. For example, a major factor favouring the dispersal of metal-based industries has been the freight equalisation policy of the Government of India according to which transport costs are mostly borne by the government and not by the industrialists. The study mentions this but does not indicate its importance to the

extent that it deserves. Coal pricing policy has been another factor which led to availability of coal at cheap rates in distant places, like Punjab and Haryana. Another factor is the lower rates on the long haulage followed by the railways which enabled distant places to obtain the materials including coal and coke at cheaper rates. This point is not mentioned at all. The easy availability of electricity at rates lower than elsewhere on account of the Bhakra Dam is another factor, the importance of which is not brought out quite clearly. There are many industries which meet their energy needs from fuel oils. These industries benefited from the low prices at which oils were imported by the Government of India till 1973.

The book notes that a large number of industrial products are exported from Punjab. These include woollen hosiery, bicycles and bicycle parts, sports goods, electric wires and cables, pipe fittings, hand tools, auto-parts, machine tools and so on. A major share of the country's exports of some of the above mentioned products is contributed by the Punjab alone. In 1971-72, over half the output of woollen hosiery in this state was exported to other countries. What has been the role of export subsidies and other export promotion policies in this? The book is silent on this issue. Most of the industrial development of the area has been under modern, small scale sector which has been provided several types of subsidies for their growth.

On the whole, this is a very good book and deserves to be on the shelves of every good library.

--KAMTA PRASAD

Changing Agrarian Relations in U.P. - A Study of the North-Eastern Areas

SUDHA PAI, New Delhi, Inter-India Publications, 1985, p. 207, Rs. 145.

This book deals with the agrarian relations in north-eastern Uttar Pradesh (UP). It is based on empirical research in the four selected districts of Gorakhpur, Deoria, Basti and Azamgarh covering a part of the heartland of India. These districts form a remote and relatively neglected area of the region, both in terms of development and social science research.

For indepth study and analysis, four villages were selected by the author on the basis of the following criteria: (i) Two villages which traditionally had a zamindari system. One village in which a single zamindari interest had been maintained for several generations within one family; and another village in which absentee-zamindari had traditionally enjoyed certain socio-economic privileges together with

interests and rights associated with the collection of rent from his tenants. (ii) Two villages which traditionally had 'bhaiyachara' system. These villages were selected in pairs, that is, one zamindari and Bhaiyachara village lie north of the Ghaghra, and another similar pair lie south of the Ghaghra.

For the collection of primary data from the field, two questionnaires were used. The household schedule was administered to a cross-section of the households in such selected villages. The village schedule was used to interview individual villagers, such as the lekhpal, pradhan, caste leaders, big landlords, etc., in order to get general information about the villages. The number of sample households interviewed was 150 in all four villages. The field work was carried out during 1978-79.

The book consists of six chapters: (1) The Focus and Perspective of the Study; (2) The Situational Context of Agrarian Relations; (3) Backdrop of Land Relations in the Eastern Districts: A Resume; (4) Micro-study of Selected Villages; (5) Agrarian Relations and Agrarian Conflict; and (6) Reflections on Class, Caste and Agrarian Relations.

The basic objective of the study was to identify main agrarian classes in the north-eastern UP and to determine their relationship with a view to understanding the agrarian system as a whole. The main contention of the study is, "the nature of agrarian relations provide an index to the structure and nature of the agrarian system". Giving the backdrop of land relations before Independence, the author has examined in depth the existing land relations, especially after implementation of land reforms legislation which broke up the old system. The book contains a lot of valuable data and information and has been very successful in achieving its objective. Besides the identification of main classes and their nature and inter-relationships, the study also deals with: (1) changing relationship between caste and class, and (2) the question of mode of production and the extent of development of capitalist relations on land in this area.

The study has identified four main agrarian classes: (1) big landowners owning 10 or more acres of land, (2) medium land owners having 5 to 10 acres, (3) petty land owners owning less than 5 acres, and (4) landless peasants. Each class has been further sub-divided into two bringing out the complexity of such identification as various classes do not represent clear-cut divisions as is the case in the industrial field. The study brings out that "the emergence of 'caste free' occupations has led to the separation of traditional unity of caste and class...Thus, caste and class no longer coincide today. Both have been undergoing slow change, caste, due to education and secularisation, class, because of the establishment of a money economy, and the entrance of land in the market. In traditional

society, there was much more consistency between the two". As regards mode of production, the study reveals that while capitalist relations have begun to emerge, features and forms associated with the feudal mode of production also exist side by side.

The study has discussed in some detail the 'areas of conflict' among classes. These include: (1) sale of tubewell water, (2) share-cropping, (3) agricultural labourers - there is no fixed wage rate either in cash or kind for these labourers, and (4) land grants to landless Harijans but not to non-Harijans. Even the Harijans who got land were dissatisfied because of poor quality of land, etc. In respect of these areas of tension, the study concludes, "On the surface, it would seem that there is no tension on any matter concerning agricultural life, although differences of opinion on certain matters can, and often do lead to conflicts. These issues seem to be part of the wider feeling which divides the 'haves' and 'have-nots' in the villages. Caste tension usually arises only when question of land rises. Urban contacts have made the villagers 'class' conscious rather than 'caste' conscious, and economic disparity has become a more important source of tension." There was also exploitation of landless agricultural labourers by big landlords through lower wage rates as the agricultural labourers were not organised as a class.

The data, information and analysis contained in this study is valuable for understanding the structure and nature of the agrarian system in the north-eastern region of UP and as such as is a useful addition to the literature on this subject. Though it was outside the scope of the study to examine the policy implications for future action arising out of its findings, yet it would have been better if this aspect had been even briefly examined by the author. This would have further added to the usefulness of the book.

--M.L. SUDAN

Food Policy Analysis

C. PETER TIMMER, WALTER P. NELSON AND SCOTT R. PEARSON, London (World Bank Publication), John Hopkins University Press, 1983, pp. 301.

A Study in Indian Food Policy - Institution and Incentive in India's Food Security Structure

B.M. Bhatia, Kuala Lumpur, Malaysia, Asian and Pacific Development Centre, 1983, pp. 129.

Both the books deal with the problem of food security. Food Policy Analysis deals with the conceptual framework while Bhatia's book deals with the problem in the Indian setting. The former pertains to

show that the food problems are immersed in the broader problems of economic development and that solving food problem is a complex task including a long run vision of how food system evolved under alternate policy environment. It deploys the theoretical tools of macro and micro economic theory for analysing the demand and production system and market structure providing a link between producer and the consumer. Its theme is that market signals influence production and consumption decisions. It analyses food problems in an international setting. Availability of food on global basis is more than adequate but still there is starvation which is due to its uneven distribution among the nation states.

Food resembles other commodities but differs in some respects from them. "Food is simultaneously an economic commodity and a biological necessity...in economic terms food can be produced, purchased, stored and speculated on just like steel, cement, tin or gold. Unlike all these other economic commodities, however, food must be provided on a regular basis in adequate amount to all individuals if they are to survive, grow and thrive", (pp. 263-64). It distinguishes between food self-sufficiency and food security. The latter should be the objective as it would imply providing food to all in poor countries which would require providing of purchasing power to secure it. It lays down the following basic objectives of a national food policy: (1) Efficient growth in food and agricultural sector; (2) Improved Distribution, primarily through efficient employment creation; (3) Satisfactory nutritional status for the entire population through provision of a minimum subsistence floor; and (4) Adequate food security to ensure against bad harvest, natural disasters or uncertain world food supply and prices.

It recognises the limitations of laying down food policy because the situations in different countries vary. It emphasises the necessity for analysing consumption patterns so that the system of food supplies for the targetted group can be worked out. A general subsidy is costly and fails to achieve the objective. Problems of supplies can be solved only by creation of productive jobs for relatively unskilled urban and rural workers. Thus, the problem of food supply is linked with the problem of economic growth. The objective should be to put food production system on ever increasing productivity path. Policy of depressed food prices may be good temporarily but in the long run it is self-defeating as production increases will not be generated in the agricultural sector thereby restricting demand growth. An incentive policy is better. There is contradiction between the interests of producers who require high prices and the consumers who offer low prices. It should be the objective of the food policy to reconcile these conflicting claims. The authors

state that in importing, food, 10 per cent premium on domestic food prices could be the deciding factor because increase of domestic price generates income with their multiplier effect within the country.

The authors of the first book are of the view that the investment in agriculture suffers from shortage of public investment as very few governments devote even half of their agriculture share in GNP to investment in this sector. While no economic law dictates that the shares be equal, public investment should be directed in those sectors with the largest social pay off. Following this rule would probably double agricultural investment with the purchase if the projects could be prepared and administered. The bottleneck is in preparation of sound agricultural projects. Because of the location specific nature of agriculture, the state has a very specific role in diffusion of new technology by way of extension and provision of minimum goods and services. The government has to pay particular attention to research and development in the agricultural sphere.

The first book has devoted a full chapter to the marketing problems in agriculture in undeveloped economies as due to marketing imperfections the marketing margins are high. Here also the government may have to step in and provide marketing infrastructure by way of building storage capacity, roads, etc.

The problem of generating productive employment is a macro problem. The objective of increased investment in agriculture should not get defeated by operation of terms of trade against agriculture. The problem of rural poverty and urban congestion are linked. If the farmer is not tackled, there will be migration to urban areas which generates tension.

In the preface Timmer et al., have stated that the book has grown out of the following four separate streams of development policy analysis as approaches to the problems of poverty and hunger: agricultural production and rural development, food consumption and nutrition, macro policy and planning, and comparative advantages in international trade. The book has fulfilled these commitments.

B.M. Bhatia's book presents India's food scenerio as it presents itself after more than three decades of planned economic development. Foodgrain production, particularly of cereals and that of wheat and rice has increased but consumption per capita has declined, if consumption of pulses is taken into account. This is rather unfortunate in a predominantly vegetarian country where 50 per cent of the population is below the poverty line. The planning commission regards 2400 calories per person in rural areas and 2100 calories per person in urban areas as the minimum requirement for sustenance. India has attained food self-sufficiency in the marketing and not food security

as defined by Timmer et al., in the Food Policy Analysis. The superficial nature of self-sufficiency has thus been summed up by Vasant Sathe in his book *Towards Social Revolution*, "When we say we are self sufficient in foodgrain we are talking of only a mathematical balance in terms of market oriented demand and not in terms of real requirement of a minimum nutritional need."

The author traces the stagnation in agricultural production, including food production due to a decline in the fertilizer consumption since 1978-79. In this context, he commends supply of minikits to small and marginal farmers subsidising of fertilizers to small and marginal farmers has been particularly recommended. Payment of incentive prices to farmers also has been suggested. The Agricultural Prices Commission is too much engrossed in keeping the prices of cereals under check to counteract the increase in prices for consumers. Bhatia suggests making public distribution system to restrict its supplies to the poor people only. The present generalised system of issue of foodgrains works in favour of the middle class and is costly. In order to control foodgrain prices, he suggests maintenance of buffer stocks but its size should be delinked with the requirements of the generalised public distribution system. In order to keep the prices of foodgrains under control, he suggests open market operations in foodgrains similar to open market operation in government securities. Whether a stock of 20-25 million tonnes of different types of cereals can keep prices in remote parts of the country in check is an important question for the planners to ponder over.

It is true that the present agricultural strategy has made us independent of imports in meeting our foodgrains requirements. But the increase in foodgrain production has just kept pace with the growth of population in the seventies. Foodgrain production has increased at the rate of 2.32 per cent per annum while population has increased at the rate of 2.24 per cent per annum. In fact, in some of the states, the growth rate of foodgrains has lagged behind the growth rate of population. The overall picture is not so disquieting because of tremendous increase in production in Punjab, Haryana and Andhra Pradesh. The regional disparities in foodgrain production have to be corrected in subsequent plan periods. Suitable cultivation packages have to be evolved for rain-fed areas which account for 75 per cent of the total cropped area while their contribution amounts to only 42 per cent of the total foodgrain production. Location specific research is the need of the hour. The author suggests that foodgrain production should be increased at the rate of 4 per cent per annum on a sustained basis in the next two decades. In achieving this, mere reliance on irrigation and fertiliser will not

suffice. He speaks of the necessity for implementing land reforms (now relegated to obscurity), and highlights that the success in Punjab and Haryana is explained not only by consolidation of holdings but also by the peasant proprietorship. But I may state that irrigated area should not doubt keep on increasing to reduce our dependence on weather gods, but irrigation potential utilisation, 84.6 per cent at present be enhanced further, as in some of the states it is as low as 58 per cent, 63 per cent and so on (p. 196 of Eighth Finance Commission Report).

The issue price of cereals under the public distribution system has been increasing no doubt on account of increase in the procurement prices but mostly on account of increase in freight. If the retail issue prices, which are material to the consumers have to be kept in check, food self sufficiency (quantitatively) on a regional basis should be the objective. The author on (p. 53) wrongly states that the issue price at the fair price shops is fixed by the Central Government. Over and above the central issue of price variations, distribution charges are added by the State Governments which are different in different states.

The author is in favour of adopting an agriculture led strategy of growth, advocated some years ago by John Mellor for solving the problem of rural poverty and food production. This resembles the plea made in Food Policy Analysis for a production system directed towards increase in productivity in rural areas on a long term basis.

It seems that the problem of mass poverty and food supply are inextricably linked with each other and that these cannot be solved in isolation.

In conclusion, it may be stated that Bhatia's book is a useful addition in updating the data on India's food situation. Bhatia's book is useful to layman also while the book by Timmer et al., requires theoretical knowledge of micro and macro economics for understanding food problems in their proper wider perspective.

--R.S. KHANNA

Rehabilitation of Displaced Villagers : A Plan

B.C. MUTHAYYA, R.N. TRIPATHY, M.L. SANTHANAM, and O.N. SRIVASTAVA, Hyderabad, NIRD, 1984, pp. 252, Rs. 70.00.

Prepared by the select team of experts of NIRD, Hyderabad at the instance of NALCO, New Delhi, the monograph embodies an action plan of rehabilitation of villagers displaced in the wake of acquisition

by Orissa Government of 3,444 hectare extensive tract near Sunabeda of Koraput district in Orissa for establishment of alumina extracting plant at Damanjodi by the gigantic NALCO.

With the on-going process of establishing various major industrial, irrigational and infrastructural projects in the larger and longer interest of our developing country, several vast areas of land, having huge mineral and other resources, have been acquired for exploitation of these resources. But the process has been immediately spelling untold hardships to the people hitherto inhabiting these areas, throwing them out of their ancestral dwellings, snatching from them their traditional means of living and uprooting them from their centuries-old mores and moorings. Tens, hundreds and sometimes even thousands of families have been rendered homeless and jobless. Rehabilitation of these displaced persons has, therefore, assumed challenging proportions in view of the tremendous socio-economic political and above-all, the human problems that it involves. It is queer coincidence that in a far larger majority of cases, the inhabitants of these acquired areas have been tribals which constitute the weakest, the most innocent and the most resourceless sections of our population. This adds further intensity to the urgency of rehabilitation-problem, since more than anything else, it assumes grave human dimensions.

Yet the problem has not received the implementational attention it deserves. In fact, rehabilitation of displaced humanity should have preceded the raising up of projects for which its lands were acquired. In this sense, the study under review suggests some improvements, since NALCO along with the government of Orissa are trying for rehabilitation at least simultaneously with the process of establishment of the Company. Again, in most similar cases, the authorities concerned have remained content with provision of some monetary compensation to the displaced persons for their acquired lands, and also in some cases with supply of undeveloped lands. Both these have proved miserably inadequate to serve as visible succour to the resourceless and uprooted. In this perspective, this NALCO-sponsored Action Plan, as produced by NIRD experts, is a praiseworthy endeavour, for it delineates details of all the ingredients of an effective rehabilitation programme.

Enriched on the one hand by the lessons learnt through the experiences of rehabilitation-programmes of various agencies as HEC, Hatia (Bihar); Tungbhadra River Valley Project, Bellary (Karnataka) and some others; and based on the on-the-spot thorough-going investigations of demographic, economic, social, cultural and behavioural conditions of the displaced persons, the action-plan produced here achieves two goals in the same single shot. One, it presents a plan

aimed at providing to the affected persons tolerable housing facilities, employment-opportunities, skill-formation machinery and other wherewithals to enable them to stand on their own on a continuing basis. Its utilitarian import is immediate. Two, it throws up long-term suggestions to serve as guidelines for policy formulation and field implementation on the part of the government and other agencies undertaking such rehabilitation programmes.

The study, in this context, advocates for an integrated approach: integrated in the sense that it caters not only to the crying current needs of the displaced, but also responds to their future aspirations in order to strike a balance between the various aspects of their individual and community life: economic, social, cultural and, above-all, ethnic, and that it creates an abiding process of establishing a self-feeding mutuality of relationship of cooperative give-and-take between those working at the newly erected campuses on the one hand and those who are forced to part with their cherished lands, abodes, and avocations to raise these campuses on the other.

No doubt, this study responds to the requirements of NALCO and Orissa Government in the immediate, but its long term relevance lies in giving useful practical direction and content to our endeavours at solving the problem of rehabilitation of the displaced--a problem which is going to be a continuing problem with our progressive march on the developmental voyage. It is, therefore, of national importance. It is hoped that all our rehabilitation efforts will be preceded by preparation of action-plan like the one in hand, of course, with adjustments for local variations; the methodology used in the current study will prove of immense utility.

The reviewer, therefore, recommends this study to government and all those concerned with the problem of rehabilitation of the displaced, to enthusiastic academicians and inquisitive researchers. It is a well written monograph characterised by a lucid style and convincing presentation. The print is neat, and the get-up is inviting. For a price of Rs.70 only, the consumer's surplus would be immense.

--K.P. SINGH

Public Administration: An Alternative Perspective

SUSHEELA KAUSHIK, Delhi, Ajanta Publications (India), 1984, p. 200, Rs. 60.00.

The book has been edited by Susheela Kaushik on behalf of Teaching Politics. It is a collection of theoretical essays on approaching the problems of administration and organisation faced by developing countries and more specially India. The alternative theories of

administration and perspective on public policies take into account the specific historical, colonial and social context of the developing countries. They also consider their problems pertaining to industrialisation, modernisation, democratic demands, factors relating to their social structure and socialist aspiration, and their political and economic background. The main emphasis of the academic curricula in public administration has been on the colonial notion of administrative organisation and the organisational details of administration, all clothed in traditional concepts. The concepts like democracy, justice and participation were missing. Presently, the public administration is becoming a human social science and tries to relate itself to the needs and aspiration of the people in a democratic society, based on popular participation and on a socialistic pattern. In this book, the authors look at problems like administrative concepts - the question of values, theories of organisation and development, analysis of public policy, administration in developing societies, rural bureaucracy, Indian administration, politics and society, and public accountability and anti-corruption strategies in India.

G. Haragopal and V. Sivalinga Prasad make a case for the study of values of individual, groups, cultures and societies. These can provide a clue for the understanding of the socio-political and economic transformation. They have examined the existing courses taught in Indian Universities in Public Administration and comparative administration. They plead for the study of the works of Marx, Lenin and Mao. These provide material for social change. Further the works of Paulo Friere from Latin America and Frantz Fanon from America help explaining the profound changes that the developing societies are passing through. The administrative sub-system should be related to larger socio-economic system. The afro-Asian nations in the forties and fifties gave rise to new trends of thinking in the field of organisation theory. Their economies have been backward in content and feudal in structure. They have adopted capitalistic strategies for development purposes and swear by socialistic goals. So it is this three dimensional phenomenon with its inherent contradictions that cause the complexity. Thus, understanding the value system of the state and society, helps in evolving an effective system of administration.

B. Venkateswarlu studies the western theories of organisation and administration from a sociological perspective. He has examined the theories of six thinkers like F.W. Taylor, Max Weber, Elton Mayo, Chester Barnard, Harbert Simon and F.W. Riggs. In essence, the author shows that all these theories aim at protecting the small minority of capitalists of their immense wealth, and exploitation and oppression

by a small minority over a big majority. The author observes that these theories may provide something of a conceptual frame-work for the analysis of the distribution of power but they can not serve as a substitute. These theories leave many questions unanswered about social relating. The assence of the administrative theories can be that certain problems arise in administering the people and these can be solved through certain techniques or using certain skills. It is a healthy sign that students of administration and organisation have begun to question the ideological premises of the western theory.

John Forester presents an assessment of Jurgen Habermas' critical theory. It suggests a powerful structural and phenomenological framework of policy research, analysis and practical criticism. One contribution of the critical policy analysis is to clarify the historical, scientific and political importance of domination free, not distortion free, discourses. The author cites the case of the reduction of the budget of Environmental Protection Agency (EPA) for illustrating the applicability of the theory. The author suggests the direction for more empirically detailed critical policy studies. Though useful, this essay is somewhat out of place of the main theme of the book.

Satya Deva emphasises that administration has to be seen in the total perspective because the exercise of control is related to possession of power, wealth, social status and cultural considerations. On the basis of the analysis of the political theories of Marx and Engles, a hypothesis of the autonomisation of the state is proposed. It means that if the bourgeoisie is relatively developed and confident, it rules through parliamentary regime. However, if the landlords or the proletariat or the small-holding peasants, either alone or jointly, are difficult to curb, a dictatorial or autonomised state tends to arise. If the bourgeoisie (middle class) is divided into equally powerful sections, none of these sections can be supreme and an autonomised state can result. The order is in the interest of the exploiting class or classes, but the executive justifies its authoritarianism as being necessary to protect the interest of the exploiting class. Satya Deva alleges that the state machine maintains exploitations and impedes basic structural change. The author examines this hypothesis in the administration of agriculture, industry, public sector undertakings, centre-state relations and administrative reforms in the Indian context. Satya Deva wants to see the applicability of this hypothesis in developing countries.

G. Ram Reddy and G. Haragopal study the rural bureaucracy in the context of anti-poverty programme for rural development in Andhra Pradesh. The establishment of agencies like SFDA, ITDA, SC-BC corporation, Women Finance corporation, put the bureaucracy in a pivotal

position. The authors observe that the characteristic working style of the bureaucratic organisation in the rural sector does not fit into any existing conceptual paradigms. Ambitious goals are set, but the structure suffers deficiencies like centralisation of decision making, multiplicity of agencies and non-formal linkages among the agencies and functionaries, absence of proper reward and punishment system, too much paper work and spending much time in meetings, and low level of technical and managerial personnel. Such organisations cannot cope with dynamic social system. There is a lack of concern for the poor. The authors assert that it is both the inner processes and the larger socio-economic system and its political processes that determine the nature and character of any administrative system. There is a need to broaden the very base of the theory.

A.S. Narang traces the historical development of civil service. At the time of freedom, India inherited a generalist higher civil service, which was trained in the tradition of maintaining law and order based on fear and without any adequate system of accountability. In free India, the emphasis has been on social welfare and individual progress and administration has to play a key role in bringing about social transformation. Narang laments that there has not been any appreciable change in the attitude of civil service. It is dominated by urban educated wealthy class. A large number of them do not believe in the objectives enshrined in the Constitution. The village level workers (VLW) who have to work with poor villagers are urban based. Even the persons from better off scheduled castes and backward classes got absorbed into the new culture. The characteristics of administration are aloofness and alienation from ordinary people. T.N. Chaturvedi (1969) stressed the need for a radical change in the civil service if it has to serve as an effective instrument of change and progress in a developing society. At present, there are implementation gaps between the planned goals and their achievements. In order to improve the situation, a commitment to a new social and economic order has to be built and nurtured through out the career of civil servants.

Lastly, O.P. Sharma critically examines the efficacy of various anticorruption measures initiated by the government to contain corruption at administrative and political levels. In the former case, he examines the working of Central Bureau of Investigations (CBI) and Central Vigilance Commission (CVC). In the latter case, the working of the Election Commission and code of conduct are examined. Sharma has found some overlap between the functioning of CBI and CVC. Moreover, the procedures are lengthy and cumbersome, Sharma opines that the basic problem in fighting corruption has been lack of desired will to enforce the available remedial measures. A social climate

has to be created in which corruption is recognised as a social evil and integrity is rewarded. Secondly, it is both for the state and the society to change their attitudes towards corruption and currupt. Sharma asserts that unless political leaders at the top can bring about a basic change in their attitudes, it may not be possible to eradicate or even significantly reduce the volume of corruption, however strict the anticorruption laws or howsoever the conduct rules or howsoever efficient the CBI or the CVC or the police establishment may be. In passing, it may be mentioned that Lok Sabha has already passed the Anti Defection Bill and Government has introduced Lok Pal Bill in Parliament.

In sum, this is a nice collection and provides food for thought in formulating hypotheses and theories relating to administration, organisation and management pertaining to India and other developing countries. For the ease of the reader, besides chapter bibliography, a select bibliography spanning over 25 pages is provided. It is hoped that it will generate some research and fresh thinking among teachers and students of social sciences. On page 83, in second para, the date of seizure of power by Napoleon Bonaparte is shown as second December, 1951. It is hoped that this will be rectified in the next edition. The editor and contributors deserve compliments for their endeavour. The commissioning of an index will enhance the value of the book. The book is sure to receive a wide audience.

--P.C. BANSAL

Drug Use Among the College Youth

M.Z. KHAN, Bombay, Somaiya Publications Pvt. Limited, 1985, pp. 216, Rs. 65.00.

It hardly needs any emphasis that various social problems including their manifestations in various types of social deviance are being generated and nurtured by the crime-prone milieu and have become an inseparable part of any social structure. The issue of drug-dependence may not be an exception to it, as it has been closely intertwined with human society for ages. Nevertheless, its manifestations, consequences and aftermath would not have been so perplexing to a society as they are being experienced in the contemporary period, because drug-proneness appears to be a special issue which has affected our youth population. Adolescents, particularly the college students, seem to be more susceptible and vulnerable to taking substances like 'brown sugar', 'smack' 'irani guard', LSD,

etc. Its amplification is permeating globally and presently it is world's one of the important social concerns as it is seriously undermining and impairing the youth population. The problem of drug-use has received considerable attention of the social scientists, politicians, social workers and journalists. Notwithstanding these attempts, the exact configuration of the problem, its motivations and manifestations still need further investigation in India.

Towards fulfilling this objective, Prof. M.Z. Khan's book is a worthy endeavour. It is a contextual study of 4415 college students from Jabalpur (Madhya Pradesh). The first chapter of the book surveys the existing literature, elucidates the methodology and highlights the approaches of the study. As the problem of drug-use appears to be multiplex and involves an amalgamation of sundry socio-psychological factors, therefore, a multidisciplinary approach has been applied in the study. The study had three main objectives: (a) to determine the nature and extent of drug use among college students; (b) to identify socio-cultural correlates of drug use; and (c) to enquire into the psychological characteristics of drug users. The subsequent chapters of the book deal with other important aspects of this phenomenon. Drug use involves socio-cultural setting of the town, accessibility and associated facilitating factors for its continuation. In addition, other important attributes relating to drug use, such as duration of stay at home, place of residence, pocket-money, drug awareness and the response patterns, have also been statistically scrutinised with respect to the problem of drug-habit. Significant cultural aspects, viz., language and region, rural-urban background, religion and caste, family characteristics and regulatory functions of the family have been focalised in the third chapter. Family background and family composition, education and occupation, economic condition, socio-economic status and family tensions have been discussed in the forth chapter.

The scholastic features refer to the curricular, co-curricular and extracurricular activities of drug users. In addition, the process of imitation in drug-dependence may be of crucial importance. Therefore, various imitation models in family and college and views about drug use have been given in the sixth chapter. The author highlights the extent to which various imitation aspects furnish a causal impetus in the gravity of the problem. Obviously, to an extent, the drug-proneness seems to be having a sound psychological orientation. Particularly, when the drug is considered as a mood-altering substance or which expands 'consciousness' and helps in relieving pain, etc. It can be stressed here that the psychological determinants of the phenomenon of drug dependence could be of vital importance to the drug dependent. In addition, demographic factors, situation in

family, personality factors and attitude of drug users have been described in the seventh chapter. Summary and suggestions regarding control of drug problem and implications of the study have been presented in the subsequent chapter. In discussing the causal process, the focus of the study has been shifted from the traditional factors viz.; innate depravity, inherent irrationality and the lack of right reasoning to relatively up-coming and up-to-date dimensions of the problem. 'Patient-models', susceptibility, vulnerability and drug-proneness in relation to the factors like functional, emotional, psychosomatic or personality disorders have also been given in the book. Indeed it has been a painstaking effort of the author wherein he tried to provide information on this issue. Perhaps the essence and flavour of Prof. Khan's book lies in the portion where he states, "The study does not regard drug users as atypical or abnormal, much less unethical. In sharp contrast, it regards drug habit as part of social behaviour".

The book will serve as a useful reference material in promoting further researches on the problem of drug dependence. The publishers deserve appreciation for the get-up and printing.

--K.S. SHUKLA

The Law of Government Liability in Tort with Reference to India

K.C. JOSHI, Kurukshetra, Vishal Publications, University Campus, 1985, pp. 270, Rs. 125.00.

Law is no more confined to the command of the sovereign but is a technique of social adjustment or social engineering. The concept of sovereignty has also changed and the sovereign immunity which developed as a status-oriented doctrine, no more suits the democratic norms and values. The autocratic rulers of the past and the historical and fanciful privileges and immunities of the governments run counter to the notion of modern, responsible and service state. To what extent the administration would be liable for torts committed by its servants is a complex problem, especially in developing countries with ever growing multifarious and multi-dimensional state activities. The liability of the government in tort is governed by the principles of public law inherited from the British common law and the provisions of the Indian Constitution.

The study under review is based, with suitable modifications, on a thesis submitted for the degree of Doctor of Philosophy (Law) in the Kurukshetra University. The book has eight chapters. Chapter 1 gives an introduction of the privileges and immunities and reasons for change in the concept of sovereign immunity in torts.

Chapters II and III, deal with legal position of the Tortious Liability of state in England and United States respectively. Chapter II is divided in two parts. Part I deals with the law which was prevalent prior to the enactment of the Crown Proceeding Act, 1947. The provisions of the Act have been presented in part II by the author in their right perspective. Similarly, the position of the tortious liability of the state in the United States has been presented before and after the enactment of Federal Tort Claims Act, 1946. Various provisions of the Act have been discussed by the author with the help of judicial opinions expressed by the courts in the United States. It has rightly been observed by the author that the Federal Tort Claims Act in America does not abolish Sovereign immunity but only fetters it.

Chapter IV is a combination of three parts. The author has discussed in details the law during the Hindu and the Muslim periods by citing different instances with a view to giving a vivid idea to his readers about the role and the responsibility of the kings. In ancient Indian polity, the maxim 'King can do no wrong', was unknown and there was no legal immunity for the King. The Muslim polity was based on the conception of the legal sovereignty of the Islamic law. In Muslim law, the Monarch and the subjects were equal. On the basis of this equality before law, the King as well as the poor fellow of the Kingdom both were answerable before the court of law.

The state of the law has been unnecessarily complicated due to its being founded on principles suiting the position of the British Crown under the British common law and the supposed representation of the sovereignty of the Crown by the East India Company, both of which have become archaic owing to changes in history and the law. The Government of India Act, 1858, therefore, accepted, vide section 65, the same liability in suits against the Secretary of State for India as had been that of the East India company. The first case decided under this section was the *P & O Steam Navigation Co. Vs. Secretary of State for India*, which has worked as foundation of the law of governmental liability in tort in India since 1861. The obiter discussion of Chief Justice Peacock on Sovereign and non-sovereign functions in determining the liability of the East India company, which was succeeded by the Secretary of State for India, as a representative of the British Crown, had been accepted as a judicial precedent. The successive constitutional enactments from 1915 to 1935 during British rule incorporated in them the provision of Section 65 of the Government of India Act, 1858.

The tortious liability of state under the Constitution of India has been discussed in Chapter V. Surprisingly, the framers of the Constitution wanted the legal impasse on government liability in tort

prevailing during the British rule to continue in free India without assigning any reason whatsoever. The result was the inclusion of Article 300. This flash back approach, therefore, logically had been followed by the courts, although this appendage of feudalism has become inconsistent with the basic philosophy of the new Constitution which the courts are required to interpret. In *Vidhyawati* (1962) and *Kasturilal* (1965) the Supreme Court recognised the changed socio-legal conditions in relation to the vicarious liability of the state for the tortious acts of its employees. In *Vidhyawati*, the immunity based on old doctrine was decried and more weight was given to changed values of a welfare state by the Supreme Court. However, in *Kasturilal*, the Court leaned heavily towards the precedential value and expressed its helplessness in changing the law, although it had taken note of the changed winds that were blowing in Anglo-American jurisprudence.

It is established that the distinction between sovereign and non-sovereign or commercial and governmental and proprietary functions is neither logical nor practical in modern time. Such a distinction has been termed by W.Friedmann as fallacious and absurd and based on extra legal considerations. The law of governmental liability in tort is not completely within the scope of judicial reform and as such parliamentary legislation has become necessary. Not only the Law Commission of India, but the Supreme Court of India too had pleaded for legislative changes in the law of governmental liability in tort.

The over-due change in the law relating to government liability in tort was seen in the introduction of a Bill in 1965 on the Government (Liability in Tort). The Bill lapsed and was re-introduced in 1967 which again lapsed owing to dissolution of the Lok Sabha in 1970. The various provisions of the Bill, as reported by the Joint Committee of the Parliament, have been discussed by the author in chapter VI. The author has successfully attempted a comparative study of relevant provisions of the law in the United Kingdom and the United States. The immunity conferred on the police has been examined from the legal as well as sociological points of view.

The genuine difficulties of the tort litigants from the procedural point of view, which is not a matter of secondary importance, have been discussed in Chapter VII. The effort put in by the author to analyse the procedural difficulties with the help of a sample survey conducted in accident compensation claims, made against the Haryana Government Roadways from 1966 to 1972, is really noteworthy. His suggestion, on the basis of survey, to create tribunals for dispensing justice to avoid the basic problems of cost and delay is fruitful.

Thus, the feudalistic and archaic doctrine of governmental immunity in exercise of sovereign functions is having no justification in principle or in public interest in the changed socio-economic context. A specific law restricting governmental immunity, except for, 'acts of state' is the urgent need of the changed welfare society in the interest of justice, certainty and security of the citizens.

The language of the book is lucid, subject well presented and analysed, and arguments are logical and convincing. On the whole, the book is well documented with proper citations of judicial and juristic opinions. It is, indeed, a useful piece of work in the field of public law.

The foreword and the preface of the book were written in 1981 and subsequent developments in the law of governmental liability in tort since 1980 find no place in the book. Despite these obvious facts, the title page of the book, pasted on the book shows 1985 as the year of publication of the book. This casts serious reflection on the honesty of the author as well as the publisher.

--S.S. SINGH

Protection of Minorities and Scheduled Castes

S.K. GHOSH, New Delhi, Ashish, 1984, p. 181, Rs. 50.00.

The author of the volume Shri S.K. Ghosh is a very senior and retired officer of the Indian Police and has written a number of books relating to law and order administration as well as many other social themes. The constitutional position in the area is well known but in operational terms there has been widespread discontent. Sometimes, there is a feeling amongst minorities and scheduled castes that they are not having the kind of protection they deserve; while there are others who, though may support the concept of social justice, tend to believe that the present position only perpetuates vested interests as well as mediocrity in public life and stands in the way of the development of national cohesiveness. In the light of the constitutional and legal provisions and also drawing on his wide experience, the author has analysed the different aspects of the problem. The chapters like struggles for equality, politics on the threshold, path of law make it interesting reading. The four appendices consist of the necessary constitutional provisions and the concerned statutes by way of ready reference. The chapter dealing with the redressal of grievances which the author has titled as Social Equity Justice and the 'Equitable Administration' is of particular relevance to government functionaries and administrators. The basic premise of an egalitarian and democratic social order is

that there will be no discrimination or bias against any section of society. Though one would not necessarily agree in full either with the totality of the analysis and the conclusions arrived at by the author, the book should be of some help in stimulating serious thinking among the people both in politics and in administration as the matter dealt with is not only of academic interest but is also fraught with far reaching social consequences.

--B.C.MATHUR

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EDITORIAL

WOODROW WILSON's essay on public administration published in 1886 marks the formal beginning of a distinct and independent area of intellectual study and research. In a way, it is the centenary year for the discipline of public administration. In his article, Mohit Bhattacharya traces the evolution of public administration, both as a field of inquiry as well as of practice in a limited way, and mentions the various changing phases and movements. He feels that "in the meandering process of growth" of the discipline of public administration, the American thought processes held their sway and the impact of Marxian thinking was neither understood nor appreciated. According to Bhattacharya, "American public administration has basically grown up as a support system for the American Capitalist State". He makes a fervent plea that "the contribution of Marxist social theory to public administration may be considered as an alternative paradigm". In his analysis, he is very critical of what is commonly known as "development administration" and then he relates the theme and the argument to the agenda and evolution of public administration in India. It is in the context of its lineage that he provocatively characterises it as "a discipline in bondage" and later on even castigates it as "a comprador discipline". But he, one feels, ignores the fact that it is, by and large, the analysis by social scientists, including administratists, which has laid bare the socio-economic context of public administration, about which he so strongly expresses his indignation. Bhattacharya, however, makes a useful and stimulating survey of the development of public administration and it should lead to wide debate about the issues he has raised and the viewpoint he has expressed. But one is prone to agree with him that "we embark upon a rigorous social scientific analysis of our own reality and in the process develop our own identity". We look upon this contribution as a tribute as well as a challenge to 'hundred years of public administration' as in any case we must concede that Woodrow Wilson tried to delineate its nature and boundaries,

however imperfectly, and indicate its possibilities for the coming generations of academicians and experts to work upon and provide new dimensions to the intellectual discipline of public administration in a fast changing world.

An important feature of the Indian Constitution is that it envisaged the role for the All India Services--to serve the Union as well as the states. This is unique of Indian federalism and has a number of conceptual and operational implications. In fact, in course of time, according to some, it has also led to some complications as well. Nevertheless, if this dual role of cadre control is managed smoothly, a large part of the credit goes to the Establishment Officer of the Government of India. He has to know the specific requirements of the constituent states and, indeed, also the requirements at the headquarters. The latter responsibility covers periodical cadre review and placement in Union ministries. In short, he is expected to have and does have a total view of the administrative requirements of personnel for the whole country. As can be visualised, the EO's office did not develop all at once. It had its origin in the colonial days. Shriram Maheshwari, in his article, starts by tracing this evolution and then goes on to describe and analyse the EO's responsibilities and the rationale of his office. Maheshwari, no doubt, shows that it is an institution of crucial importance but, strangely, it is neither known widely nor has it been analysed adequately. One may not agree with his observations in full, but he does throw light on an important chapter of India's administrative history and working. As Maheshwari says: "the EO system seeks to link the states with the Centre, and the field with the headquarters by a process of appointment of personnel possessing first-hand experience of the other side of the ring, and their rhythmic rotation. This constitutes India's model of institutional response to certain important facets of administrative federalism".

Popular participation in planning and development is taken as a democratic imperative. In fact, popular participation is an essential pre-requisite for the wider acceptability and even legitimacy of planning process and development. Thus, both the locus and focus, as also the strategy of popular participation, merit attention. Considerable literature exists on the subject. Comparative and sector studies in different countries have also been made. In India, since

the inception of the planning system and, indeed, after the initiation of the community development programme, the demand for popular participation reached a crescendo. Awadhesh P. Sinha first explores the theoretical perspective of popular participation in economic planning and while doing so he points out something of an in-built tension between the two. While planning implies centralised decision-making with increased bureaucratisation, popular participation connotes greater association and involvement of the people as well as administrative openness and decentralised operational decisions. Sinha then goes on to discuss the issues in terms of planned schemes and planned programmes in the country. He identifies qualitative "authenticity and coordination" as the values necessary "for the optimal popular participation in economic planning". This is certainly a subject of continuing importance and Sinha gives some interesting ideas about it, on the basis of his field experience.

It is in this context of demand for popular participation and association of people with administration and development that the contribution by Abhimanyu Singh on 'District Officer's Role' makes interesting reading. This institution has had its bicentenary some time ago. Our Journal also brought out a special number on the theme of the changing role of the District Officer in 1965. Besides, several contributions by experts on one or the other facet of this topic have appeared in different issues of this Journal from time to time. An administrative officer himself, Singh outlines the origin of the district officer's establishment and several attempts that have been made to bring it under popular control. He also highlights the contradiction between what is expected of the district officer today and the hopeless position in which he finds himself on account of a variety of reasons. Singh makes a plea for 'elected district heads' and that for the District Officer as their chief executive. Such a demand has often been made in the past but even the political masters have always had their reservations and misgivings about it as rise of a parallel political authority at local levels is generally not palatable. Though the author, at times, seems to over simplify issues, yet he does throw light on the present state of district administration with all its problems, headaches and frustrations. While Singh writes with his experience in Bihar, the situation described by him may not be unrepresentative of other parts of the country. This

may be depressing but, as the author's contribution itself exemplifies, all idealism is not yet dead in administration. It is high time we go into the realities of the situation if we want the grassroots administration to be responsive and efficient, deserving confidence of the people.

In a similar vein, we have Ahmed Shafiqul Huque, who gives a reassessment of the role of administrative elites in a comparative context, but with a particular slant on developing countries. He examines the concept, the meaning of the term and actual administrative functioning. From his analysis, he concludes: "However, administrative elites are not desirable as they tend to close themselves off from the rest of the society and contribute toward the creation of an artificial barrier between the ruler and the ruled. But due to the absence of alternative means, they can be considered to be coordinators for the unstable systems. Judging from the trends in the field of public administration, it can be assumed that gradual reform attempts will continue to be made and dated elements such as administrative elites will ultimately be eliminated from the public services." But we need to explore this area with greater realism if we want to rise above an element of psychological ambiguity as well as administrative mediocrity. The real problem is : how can we achieve wider diffusion of excellence in administration and public life, while eschewing alienation, exclusiveness, aloofness and holier-than-thou attitudes and postures?

Performance appraisal is an important part of personnel administration as it helps to promote both efficiency and morale in public services. With the changing requirements of the government, the profile of the functionaries needs review and reinterpretation. In this background, the terms and format of character rolls, and records require to be periodically reviewed and suitably modified or amplified. In the recent past, the Union Government has laid stress on working out adequate indicators of efficiency and performance. So have many state governments from time to time in the pursuit of administrative reform. This is a matter of considerable interest to the public-minded sections of our people and opinion makers. That is how "the experience of state government" in "redesigning performance appraisal system", as attempted by V.S. Sisodia, becomes relevant. He not only analyses the various developments in one particular state, but also raises several general issues of wider concern.

R. Narayanaswami presents three case studies relating to resolution of public grievances in government offices. In his first case study, he deals with the system as has been worked out by the Ministry of Labour in respect of one of its responsibilities, viz. emigration of labour. In the second, he discusses the arrangement that exists in this regard in Delhi Development Authority. In the third, he focuses on such an arrangement at the district level. For obvious reasons, it is a sensitive subject, both for the individual and the nation. In his presentation, Narayanaswami describes the system as it has evolved over a period of time to cope with the emerging problems and draws some general conclusions from experiences with which, he hopes, "with slight variations, every department having grassroots contact, could be made to enhance the purposeful accessibility of its decision-making functionaries". His article does bring out the important point that a bit of sectoral or departmental self-analysis may help to evolve or design more realistic and effective ways and methods to redress public grievances and thus build better community-administration relationship.

Budgetary reforms are an important plank for the total improvement of administration. But budgeting exercise is at times both pedestrian and abstruse. At the same time, linkage between scientific budgeting and planning for development is a matter of utmost significance to polity, society and economy. The multiplicity of needs and objectives placed against limited resources becomes a planner's nightmare and even a government's despair. The concept of zero based budgeting is one of the latest techniques in the area of financial management. C.V. Srinivasan gives the background of its development, explains its contents and approach, deals with the advantages of the technique and, lastly, analyses the problems in implementation. He points out that its applicability to Indian situation need not generate any misgivings, if certain precautions he has tried to identify, are taken note of. In order to ensure greater purposiveness in expenditure and performance and to bring about positive accountability in administration, the zero base budgeting can be useful. But it is necessary to ensure that experimentation is not allowed to become ritualistic but made realistic and genuine.

As the title of the article 'Political Economy of Irriga-

tion in India' by N.R. Hota indicates, the utilisation of water for irrigation is not just a technical problem. It has wider socio-political implications which ought to be taken into account if this crucial area of development is to achieve its intended results. Hota identifies four aspects of the political economy of irrigation in India, viz., political economy of irrigation agriculture, identification and selection of projects, utilisation of potential, and water rate policies. The concept of water as a national resource, both for the country and for a region has to be appreciated in a constructive manner if irrigation projects are to fulfil the expected standards and norms of technical, managerial and economic performance. Though Hota naturally draws on his experience in Orissa, it is an article deserving attention of planners, irrigation experts and political decision-makers in general.

Coordination continues to be the weakest point in our administrative and planning systems. We have plenty of literature on the theory of coordination. The presentation by C. Satapathy, B. Das and (Mrs.) B. Mitra is in the nature of a case study of 'Coordination in Agricultural Development'. It would have been useful if some broad perspectives of coordination were first discussed to make a more telling presentation, it is all the more so as we have now adopted the approach of integrated rural development. What are its operational implications? What is the relationship between the concepts of 'coordination' and 'integration' so far as the agricultural development is concerned. Coordination, both 'horizontal' and 'vertical', while intrinsic to the plans and programmes, seems to elude us. We do hope that the article, though preliminary in nature, will stimulate more detailed studies which may go to help improved performance in practical terms. The next article by Anil K. Khandelwal is of allied nature. He points out that, so far, banks seem to have occupied themselves with 'rural disbursement' rather than 'rural development'. Khandelwal believes that development of the rural community can best be achieved by paying greater attention to the development of human resources in the public sector banks. This underlines the need for training--its role, nature and strategy among other aids to HRD. It is well recognised that all is not well with the banking sector. The functional, promotional as well as the service roles of banks need review and reinforcement if banks have to measure

up to the expectations of the people, planners and decision-makers.

The management of scientific institutions and establishments is a complex problem. It is a pity that much attention has not been given to it by experts and scholars. We have a number of reports of committees who, after going into the complaints of alleged maladministration, make their suggestions and recommendations. One is not sure how much the concerned organisations have consequently benefited. It is not known whether the general lessons for the benefit of similar institutions have been worked out in the light of experience. Sometimes unfortunate cases of victimisation or even of suicide by researchers or staff members are reported in the papers which cause general concern. But the concern dies soon after. Only recently, the Prime Minister made some very pertinent observations about management of scientific institutions, research establishments and institutions of higher learning which ought to be followed up by scientific establishments. The problems do not relate to administrators vs. scientists, or the finance man vs. the expert. It assumes the complexion of a scientist or of an established scientist vs. a budding researcher. That is why the brief study on 'Managerial Leadership Style in Scientific Organisation', based on field research in two scientific organisations, one representing agricultural university and the other affiliated to ICAR by two young researchers, Kulwant Singh and Om Singh Verma, is timely. Accountability and performance, if rightly understood, cannot be divorced from autonomy. Institution-building and leadership go together.

We have two contributions in this issue which are largely descriptive in nature. One by Abida Samiuddin is a portrait of provincial administration, with reference to Iraq. It is informative and useful for a study of comparative evolution of administrative systems. The other, by H. Bhuban Singh, deals with the problems, as he sees, of district administration. It forms a useful supplement to Abhimanyu Singh's 'Changing Role of the District Officer'.

This number also carries a detailed and rather provocative comments by Malati J. Shendge on the article we published (in IJPA, Vol. 30, No. 1) on 'Hindu Concept of Ecology and Environmental Crisis' by O.P. Dwivedi, B.N. Tiwari and R.N.

Tripathi. We may expect some response in future by the learned authors. We do believe in stimulating critical and constructive dialogue. We also believe that we have enough material in the current issue to elicit reaction and response from our perceptive readers.

Besides the usual features of book reviews and book notes, this issue also carries B.K. Nehru's John F. Kennedy Memorial Lecture on role of political parties in India and another speech of U.C. Agarwal on role of vigilance in India in the Document section.

--EDITOR

Public Administration in India : A Discipline in Bondage

MOHIT BHATTACHARYA

THE PUBLICATION of Woodrow Wilson's famous essay in 1887 heralded the birth of an autonomous field of inquiry called the science of public administration. As the scope and complexity of government activities increased, so did the interest in systematic study of the structures, processes and behaviour of public systems.

THE EVOLUTIONARY PERSPECTIVE

Since improving governmental performance had been the initial thrust of the discipline, there was studied avoidance of politics as a vital element of public administration. The logical culmination of this politics-avoidance syndrome was the discipline's abject surrender to management science. More and more emphasis came to be laid on sharpening tools and techniques of administrative improvement.

The structuralist-mechanistic approach to public management was challenged by innovative behavioural science studies which focused on the human and social elements. From the Hawthorne experiments of the 1920s onward, clinical investigations into human behaviour in organisational settings opened up new vistas of administrative behaviour studies that led to substantial modifications in the contents and methodologies of public administration.

The origin and development of the socio-technical approach to management and organisational behaviour initiated by the Tavistock School brought about further deepening of methodology in public administration. A significant change was noticeable in the direction of organisational development studies and more systemic, holistic, contingency approaches to organisational analysis.

However, in the midst of epistemological rumblings, the Weberian paradigm has dominated the field of inquiry. The concept of bureaucracy has captivated attention because of its apparent neatness and explicational strength. Weber's formulation was cast in the mould of rationalisation hypothesis much of which Weber himself had abandoned

in his later political writings. Public administration has generally overlooked Weber's later modifications of his bureaucracy paradigm where Weber searched for the key to social change in charismatic political leadership.¹ Studies on the dysfunctionalities of bureaucracy are in plenty. On the basis of empirical findings, structural and behavioural changes within the bureaucracy have been advocated. Another strand of thought has been to make the bureaucracy accountable, open and accessible to the citizens.

Later developments in the discipline are marked by a more free-floating search for broader theoretical concerns. First, there was exhortation for reliable theory-building by shunning ethnocentricity and adopting cross-cultural studies. Comparative public administration was born out of this advocacy. Secondly, Herbert Simon's call for more rigorous theory-building around decision-making sensitised the discipline to the need for conceptual strengthening and for drawing on the resources of logic, social psychology and psychology. Public administration was thus located in the larger family of social sciences. Thirdly, concern for policy studies, as a direct descendant of Simon's decision-making scheme, impelled more open-ended analysis combining the strength of a number of allied disciplines, such as political science, sociology, economics and psychology. Disciplinary parochialism was sought to be replaced by a certain intellectual eclecticism. In the process, public administration came to be reunited with political science, falsifying the original Wilsonian dichotomy.

In the late 1960s, a group of young American scholars felt piqued by the discipline's inability to reorient itself to the needs of social change. When the society was facing turbulence (Vietnam war, slums, campus unrest, etc.), the discipline was continuing with its orthodox attachment to bureaucratic efficiency. Public administration, as a discipline, was thus overtaken by events. The Minnowbrook conference debating over these issues declared public administration as integrally connected with politics and political theory. The angry young men of public administration demanded a "new public administration" that would be vitally concerned with the issues of 'relevance', 'values', 'social equity' and 'social change'. In a way, the new public administration movement gave the clarion call for politics-administration reunion and a normative public administration.

The overall trend was in favour of debureaucratisation and more and more client-orientation. Almost coinciding with this new trend was the rise of the public choice school. Essentially, its proponents (Vincent Ostrom and others) argued the case for replacement of bureaucratic administration by democratic administration. Consumer sovereignty being the central preference, institutional pluralism was

supported for better provision of public goods and services. The underlying theme in chorus with the NPA movement, was debureaucratisation. Writers like Downs, Tullock and Niskanen have come out with some sort of a theory of administrative egoism suggesting bureaucracy's inherent tendency to work for self-interest, as distinguished from public interest. As Peter Self has put it:

...some of the criticism is essentially a reflection of current social values, which are hostile to the Weberian norms of strong hierarchy, impersonality, and anonymity which are traditional in public administration.²

In this line of thought, the impact of 'critical theory' on public administration deserves special mention. Habermas, one of the most eminent philosophers of this school, has drawn attention to the preponderance of technical efficiency under a bureaucratic regime. Critical theory calls for a review of both intra-organisational and supra-organisational consequences of bureaucratic control and regulation. Within the organisation, alienation from work and fellow workers needs to be rectified by planned attempts to improve the quality of organisational life. Externally, harmonious organisation-client relationship would necessitate more organisational flexibility and client accessibility.

MARXISM AND PUBLIC ADMINISTRATION

In this meandering process of growth, much of what has been going on as public administration discipline is home spun in the USA. American public administration is naturally rooted in American political culture which is widely acknowledged as advanced capitalism blended with pluralism. The nature of the state, in American public administration, is never questioned. Within the fixed politico-administrative boundary, the essential thrust of American public administration has been toward enhancing the capacity of public organisations without disturbing the basic character of the capitalist state. This explains the dominance of value-free organisation theories in public administration analysis.

To accept American public administration as a universal 'science' of public administration is fraught with general epistemological difficulty. Besides being ethnocentric, much of American administrative and organisational theories can be said to be ahistorical. Origin and evolution of organisations are generally overlooked in organisational analysis. Secondly, the concept of organisation, as a micro unit, has little usefulness for public administration that

exists as a vast network of organisations functioning within the normative structure of a constitution. Thirdly, conventional organisational analysis is divorced from the larger concerns of political economy, class structure and social conflict, as if what goes on inside an organisation can be explained away with the help of internal organisational structures and processes. Fourthly, notwithstanding the advocacy of participative management, a general tendency in organisational studies has been to apotheosise the top management and to 'manipulate' other parts of the organisation to serve the interest of top management. Last but not the least, organisational analysis, as applied to public administration, takes no notice of the nature of the state that regulates the entire social system, including organisations.

In consequence, American public administration has basically grown up as a support system for the American capitalist state. The spirit of the discipline is naturally instrumentalist and management-oriented.

Against this background, the contribution of Marxist social theory to public administration may be considered as an alternative paradigm. Marxist concern for macro social structures and the historical transformation of the whole political economics needs to be related to organisational analysis and the study of public administration. As has been correctly observed, a theory of public administration has to be inferred from the large body of Marxist and neo-Marxist literature on the nature of the state.³ In the earlier writings of Marx, bureaucracy was characterised as a state mystifying institution, incompetent, hierarchically ridden, secretive and pseudo-knowing. The two versions of the state in mature Marxist political theory--fundamentalist and relative autonomy--have two kinds of implications for any theory of public administration. The fundamentalist notion of the class state yields a reductionist theory of bureaucracy as an appendage of the dominant class embedded in capitalist political economy. By contrast, Nicos Poulantzas, Claus Offe and others have sought to reconstruct Marxist political theory by pointing out the relative autonomy of the state in real life from the power bloc and the hegemonic faction. Such a reconstruction of Marxist theory of the state has opened up new possibilities of a Marxist theory of public administration. How is the bureaucracy related to the processes of general legitimation of state authority and particularist accumulation by the bourgeoisie? The role of the bureaucracy, as the supreme manager of social conflicts and the organiser of class hegemony, assumes significance within the 'relative autonomy' framework of analysis.

The Marxist approach opens up new possibilities of studying public

organisations from both macro and micro properties. Since organisation of class hegemony is the principal objective, structural properties, such as hierarchy, span of control, etc., might be having their roots in politics rather than in nature and technique of work.

Alienation from work and motivation and morale can be usefully analysed from the Marxist perspective of class hegemony and class conflict.

Policy studies in public administration can benefit from the Marxist orientation if questions like 'who sponsors the policies for whose benefit', could be raised and examined in specific policy situations.

Conventional, empirically oriented organisation theory is now being challenged by what is called 'radical organisation theory'. As Burrell and Morgan put it, conventional organisation theory has been found wanting for, among other reasons, neglecting the work of Marx, ignoring class analysis, omitting to consider the role of the state, and being unaware of the importance of macro-social factors.⁴

A radical public administration grounded in the Marxist perspective is yet to take a definite shape. But the broad outline of this new discipline is steadily emerging with obvious attraction for the 'Third World' scholars who are grouping for a new paradigm to explain the socio-political reality of the Third World.

DEVELOPMENT ADMINISTRATION

In the wake of decolonisation after the World War II, there was universal search for state-led planned socio-economic development. Development administration emerged almost as a full-fledged discipline with its own assumptions, concepts, hypotheses, and theories of development. Since the early 1960s, the story of public administration is virtually the story of the steady growth of development administration as new epistemology. The literature on development administration is, by now, very vast.⁵ Basically, the new intellectual enterprise was pioneered by American scholars (CAG) in a semi-anthropological and normative-prescriptive vein. The study of administrative practices outside the United States and recommendation for a new public administrative set-up, as an aid to speedy socio-economic development, were the prime concerns of American experts.

Initially, there were attempts at grand theory-building by Riggs and others. The lure of prismatic theory did not last long, as the urgent concern was for tangible administrative improvement. Western (especially American) administrative practices, tools and institutional models were freely exported to the Third World countries in the belief that these surely held promise for administrative

virility. This 'enclave approach' was supplemented by 'sectoral management approach' where project management in specific sectors, like agriculture, industry, etc., assumed considerable significance.

Development administration was soon engrossed in local problem-solving with the help of folk-wisdom and people's participation. It was a more open-ended effort as outside experts came to attach importance to folk management skills. Local participation in project designing and implementation came to be acknowledged as important. The open-ended search for success led to the recognition of politics and power as important variables. Development administration was thus, found raising questions both about method and substance. The problem of equity and justice was no longer avoidable. Administration has not merely to lead to more productivity; it has also to ensure power equalisation and equitable distribution of the fruits of development.

Despite such apparently radical postures, development administration at no time raised any question about the nature of the state. There was a naive belief that the nature of the state has nothing to do with project failures, large-scale cornering of benefits by a small class, and perpetuation of poverty and exploitation.

It is well-known that the development administration movement is an aspect of the 'modernisation' approach to Third World development, popularised by writers like Edward Shils, Samuel Huntington and others. Stable and orderly change, as distinguished from violent and revolutionary change, could be brought about by management revolution under the aegis of the state bureaucracy. The macro-social concerns, such as mode of production, elite structure and international politics were of no significance to the developmentalists. All that was being advocated was a technically and professionally oriented bureaucracy which would be ideologically neutral. Thus conceived, development administration was the surest guarantee against insurgency and violent revolutions in the Third World countries.⁶ It was conceived as a counter-revolutionary strategy to reform and strengthen capitalism in the Third World countries.

As the political scenario in the Third World countries follows a regular cycle of elitist-bureaucratic domination, repression and authoritarianism, breakdown of civilian rule and the rise of the armed forces, the earlier assumptions and conceptualisations of development seem to be increasingly dated and irrelevant. The current debate over the new international economic order and north-south dialogue reveals the 'dependence of the developing countries on the 'developed'. The 'dependency theory' developed by writers like Gunder Frank, Samir Amin and Cardoso opens up new ways of analysing dependent development.⁷ So long as 'underdevelopment' continues to be the

creation of the developed countries, development administration can at best have two meanings: comprador administration and underdevelopment management. It is the perpetuation of conditions of underdevelopment and socio-economic inequity that is the real objective of development administration.

AGENDA OF PUBLIC ADMINISTRATION

The rise of the socialist world and their new administrative practices do not receive any attention, nor are these included in public administration academic curriculum. Public administration has thus meant almost exclusively the administrative practices of the Western developed capitalist countries. What goes on as public administration discipline is basically an ethnocentric description grounded in American or European socio-political reality. It has been paraded as a universal science and the Third World scholars have thoughtlessly accepted it as such. This explains our fascination for management science with all its high priests (Taylor, Fayol, Simon, Likert, etc.) and high technology (MIS, MBO, Network, etc). Increasing immiserisation of the masses, rural unrest and state repression have not aroused any interest among public administration scholars. If management is the panacea, how does one explain widespread inequity and injustice even after four decades of 'managed development'? If the American scholars could give a call for a new public administration in times of their social crisis, why can't scholars in India raise a similar debate. Development is a transformational and directive process. An old, archaic society has slowly to be changed into a more just and humane society. Is it an administrative question or a political one? Administration as means is an untenable concept under conditions of speedy socio-economic reconstruction. It is primarily because of the colonial legacy that public administration came to be regarded as an independent variable in most Third World countries. The class structure of these countries also blended well with bureaucratic dominance. Public administration, as a discipline, has to go beyond the forms and processes of administration and look for explanations in social structure, class hegemony and the dominant forces shaping the character of the state. A radical public administration needs new tools, concepts and theories, and the reality outside cries out for such rebuilding of the discipline.

The century-old growth of public administration as a discipline bears unmistakable marks of American scholarship that has decisive influence on the character of the discipline. An area of interest--a field--has been sought to be promoted forcibly to the status of a discipline. As the early euphoria subsided, the proponents of an

autonomous discipline soon discovered the futility of undisciplined approach to the complex problems of public administration. In the post World War II period, the boundary walls of all social science disciplines had to be either pulled down or made more permeable. This was necessary to organise and interpret complex social reality that could not be packaged neatly into the boundary of a single discipline. Being basically concerned with governmental behaviour, in an age of turmoil and turbulence the fragile boundaries of the new discipline soon gave way permitting salutary entry of explanatory concepts from a variety of sister disciplines. The result is what has been called the 'polyparadigmatic' or 'crossdisciplinary' status of present-day public administration.⁸

NEED FOR REORIENTATION

What has been the achievement of public administration in India? Originally, the subject used to form an integral part of political science. This is still the system in many universities. The first fullfledged Department of Public Administration and Local Self-Government was set up in 1949 in Nagpur University. Currently, public administration is being offered as a subject of study at different levels by about 30 university departments.

Public administration study and research received encouragement with the establishment of the Indian Institute of Public Administration in 1954 under the presidentship of Jawaharlal Nehru. The Ford Foundation and the American scholars arrived on the scene to initiate and promote the growth of administrative studies so necessary for a new nation.

The first survey of research in public administration, under the auspices of the ICSSR, covered the period up to 1969. In the introduction to the survey, Pai Panandiker wrote:

...the discipline as a whole does not show a sense of buoyancy or achievements, either in the academic or practical worlds and of being of continuous relevance to the needs of the country...a lurking doubt exists...whether public administration could develop as a useful and relevant discipline as well as practical and applied science.⁹

In the second survey of research in public administration (1970-79), Kuldeep Mathur has some interesting comments to make on the growth of the discipline in India. As Mathur points out, the discipline goes on using theoretical frameworks embedded in the Western administrative systems without any attempt to list out their validity

in the Indian situation. The most familiar paradigm guiding research continued to be Weberian. Enhancement of administrative competence and administrative reform dominated research attention. This instrumental view of public administration necessarily stimulated the professional aspect of the discipline with inordinate emphasis on techniques and skills and scientific management.

Kuldeep Mathur has alerted us about the danger of submerging public administration into the generic process of administrative science. There is a timely call in his review for a look beyond the boundaries of an organisation into the wider social forces enveloping the organisation. The adequacy of accepting bureaucracy as a unit of analysis has been questioned and its power role in the larger social context emphasised. Administrative action, as Mathur cautions us, takes place "within the larger network of power capabilities of groups and individuals interacting within the political system in order to determine the direction of flow of public goods". Since many political battles are fought over administrative action, the reality outside is an ensemble of politics and administration. In fine, public administration is very much a part of the rough and tumble of politics. Mathur's concluding observation on the state of the discipline is worth our quotation:

...public administration continues to be weak as an academic and social science discipline. This weakness primarily emerges from its inability to develop theoretical and conceptual approaches that can offer a better understanding of the contemporary scene in India. It continues to be heavily influenced by the Western social science paradigms which have in a way provided it 'professional' but not academic strength. The ambiguity in defining the scope of research and teaching in the area also stems from this influence and also from the way the discipline took birth in universities through separation, often bitter, from disciplines like political science, economics or history. To many members of the faculty, this act of physical separation symbolised intellectual insulation too. The result was that in order to demonstrate its independent identity, it began to lean towards management science. One of the important requirements for revitalising the discipline is to restore its intellectual linkages with other social science disciplines. This step is important if alternative paradigms of understanding the administrative phenomenon have to be developed.¹⁰

This assessment of the growth of the discipline raises a host of questions regarding both the substantive and methodological aspects

of public administration in India. Sharing the boundary maintenance problem of all social sciences, public administration has obviously to shed disciplinary orthodoxy in the interest of advancement of scientific knowledge about governmental operations. Substantively, administrative problems of the Third World countries need to be differentiated from those of the developed capitalist countries. The concepts and theories of a stable state in a milieu of institutionalised system do not lend themselves to easy application to the conditions of a developing state system passing through a tortuous and occasionally uncertain process of institutionalisation. Public administration, as a discipline in India, has to grapple with the socio-political reality of contemporary India. A new public administration, with its own unmistakable identity, can grow in India only by a creative encounter with our own reality. Ours is a post-colonial society with a legacy of strong and all-pervasive bureaucratic rule. In a tradition-bound society, the primordial loyalties are woven around caste, religion, tribe, language and ethnic ties. Economic relationships are overlaid on primordial existential situations. During British rule, feudal land relations were deliberately maintained to lend support to imperialism. In the course of freedom struggle, nationalism was struggling to be born, and the process of submergence of narrow, parochial attachment in the mainstream of nationalism has been far from complete. The democratic institutions, comprising the electoral system, the party system, the legislature and the press have been passing through a critical period of institutionalisation. The degree to which our democratic infrastructure is fragile was borne out by the dark days of the Emergency.

The development path chosen for socio-economic reconstruction has basically been capitalistic. Stimulation of agricultural productivity through the induction of new technology at select locations has led, in many instances, to the deterioration of agrarian relations. Despite the much-advertised food surplus, rural poverty shows little sign of abatement and the large masses in our countryside continue to live under semi-feudal conditions. Any attempt to offer resistance to the forces of feudalism is dubbed as 'naxalite' movement and ruthlessly suppressed.

This is the socio-economic context of public administration in India. So far, the context has failed to influence the content of administration. Public administration in India as a discipline has so far remained imitative and descriptive, much like a comprador discipline. It is high time that we embark upon a rigorous social scientific analysis of our own reality and in the process develop our own identity.

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Aspects of Administrative Federalism: The Indian Model

SHRIRAM MAHESHWARI

INDIA IS an example of a state having a federal constitution but its public administration at various levels of governance is organically integrated, thus deliberately giving a short shrift to the doctrine of administrative dualism. The instrumentalities and mechanism of such administrative integration are several, including some visualised even in the Constitution itself. While many of them have attracted varying degrees of attention of the academic community, yet some functionaries have remained out of its purview so far. One such notable one being the Establishment Officer to the Government of India, who has been given a set of functions which are intended to promote, besides efficiency, harmony between the two levels of government in the federal system. The Establishment Officer to the Government of India--or the EO as he is commonly called--is a functionary unique to the Indian sub-continent and is one of the administrative creations of the British Colonial rule in India. The EO is, indeed, a vital institutional link in the field of selection of managerial level personnel in Indian Government.

THE SETTING

The special significance of this office lies in a set of ideological formulations underpinning the central personnel system. India was a unitary state from the time of the Regulating Act of 1772 till the enactment of the Government of India Act, 1935, and it was only under the latter statute¹ that a federal system was first outlined for the colony. Though the constitutional change visualised was of a qualitative nature, yet it was not allowed to affect the core values concerning administration, one of which is that the Government of India does not--and must not--possess a civil service of its own.² To be sure, there are all-India services, and the central services, but these belong, respectively, to the state governments and the functional departments. The technical position is, and has always

been, that the Government of India has not a civil service of its own. Secondly, the staffing of the headquarters organisation, namely, the secretariat, should draw on as many services, both all-India and central ones, as possible,³ the objective being to attract the most competent personnel. Thirdly, appointments in the secretariat are made for fixed terms, or tenures, thus making the search for personnel a regular, not once-for-all, exercise.

Until the passage of the Government of India Act, 1935, the practice in regard to staffing in the Government of India was that each department corresponded directly with the provincial governments as and when necessary. This, apparently, did not pose any serious problem, primarily in view of the prevalent unitary system of governance in the country. It is true that the government then was small, thus making staffing in the secretariat quite manageable and even when the government began to expand and posts in the headquarters increased, the practice of departments individually approaching provincial governments independently engendered confusion no less than competition but no change was contemplated. It was the Government of India Act, 1935 with the stipulation of federation for the country which introduced a new measure of permanent uncertainty in regard to supply of officers from the 'autonomous' provinces and thus highlighted the need for a central coordinating point. This made the setting up of centralised personnel procurement agency look imperative, and the initiative in this direction was first taken by the Finance Department. This needs an explanation.

On the analogy of the Treasury in Great Britain, the questions relating to civil service were, in the beginning, dealt with by the Finance Department in Indian Government. The Treasury in Britain, one must note, is much more than a Finance Department, it really being in the nature of a residuary legatee in the government, and as such to search for its counterpart in India's Finance Department was not very correct. In India, civil service was, thus, never made an exclusive concern of this department, the other department having a definite share of responsibility being the Home. Yet, the fact is that the Finance Department in the past was enjoying a much bigger role in regard to civil service than since Independence. Even the genesis of the office of the EO to the Government of India lies in this Department's Despatch of October 15, 1936.⁴ for it was for the first time in this document that the proposal for the setting up of an EO was made. The cue was picked up by the Committee on Organisation and Procedure (1937) presided over by Reginald Maitland Maxwell; indeed a thumb-nail sketch of this office was presented by the Maxwell Committee on Organisation and Procedure.⁵

THE MAXWELL COMMITTEE'S FORMULATIONS

According to the Maxwell Committee, the EO recommended for the Finance Department would not remain fully occupied, and yet the function contemplated for him was of obvious meaning to all the departments in the government. The Committee, therefore, recommended setting up of an EO to the Government of India--that is, with government-wide responsibility. "It should be his duty", the Committee emphasised, "to keep himself fully informed of possible recruits, both Indian Civil Service and others to the grade of Under Secretary."⁶ For this purpose, the EO should have a right to obtain any information he may require about any officer in the provinces or other departments with a view to considering whether he is fit for such an appointment. He should, moreover, take an active interest in broadening the channels of his communication with the provinces as well as the cadre authorities of various central services, even visiting their headquarters and 'interviewing' possible candidates to assess their suitability for induction in the secretariat. Besides, he was to be the exclusive pipeline for flow of correspondence in regard to staffing and reversion of personnel. The Committee observed, "It would probably be a convenience to the provinces if all correspondence regarding the selection and reversion of Indian Civil Service officers in connection with secretariat or other appointments were conducted by the EO".⁷ Being in touch with all departments in the Central Government, he would naturally be in a position to keep his eye on probable future requirements and to ensure that provincial governments and other cadre authorities received as long notice as possible of impending vacancies. Besides, it was among the important responsibilities of the proposed functionary to maintain 'full' records of the performance of under-secretaries "both for the periods spent in the secretariat and for the periods spent outside".⁸ For the secretariat-based officers, he should get the annual confidential reports from the respective secretaries and for those located outside it but 'earmarked' for deputation he should secure them from the provinces and cadre authorities. "The Establishment Officer would thus be able on each occasion that a selection had to be made, to put forward the names of all who were qualified for the appointment and to submit detailed records of their previous career."⁹ When all is said and done, the Maxwell Committee did not want the EO to emerge to a position with command to recommend individual names for appointment. This responsibility was entrusted to a collegiate body so as to reduce possible subjectivity in judgement. It clearly observed, "The material (annual reports about officers) so secured should be dealt with by a Selection Board whose duty it would be to recommend

individual officers for appointment. The Selection Board should consist of three secretaries to Government to be appointed by His Excellency (Governor-General) in his discretion, together with the secretary in the department concerned, if he is not already a member of the Board."¹⁰

THE EO: DEVELOPMENT OF THE PROFILE

The office of the EO to the Government of India was set up in 1938, its first incumbent being Noel James Roughton,¹¹ a member of the Indian Civil Service (ICS). Roughton did not stay for long. Indeed, most EOs had a tenure of less than 18 months, and the term was particularly short during the British rule. Perhaps, the job was discovered to be not very exciting. H.M. Patel, a member of the ICS and a 'Commerce-Industry Pool' Officer, was the first Indian to be appointed as EO in 1946. But it was S.B. Bapat of ICS, who had the longest stay of nearly nine years and who also emerged as a very strong EO.

The EO was originally located in the Finance Department following the practice in Britain, and its justification lay in the interface between its work and the pay and conditions of work of the civil service in India. Even more importantly, the functionary's location in the Finance Department also equipped him with 'teeth' in the sense that the provinces and other public agencies, always dependent on large financial devolutions from New Delhi, did not dare turn indifferent to his solicitations, much less become noncooperative. On March 1, 1946, however, the EO was placed under what was officially known as the secretariat of the Executive Council, named in 1947 as Cabinet Secretariat.¹² This arrangement lasted till the advent of Independence, and since then this office operates under the administrative control of the Ministry of Home Affairs. Also, it was not uncommon in the past to entrust some other responsibilities to the EO in view of a feeling that the office did not have enough work. For instance, he remained as principal of the IAS Training School at Metcalfe House, Delhi for quite sometime though this arrangement was temporary. The Economy Committee (1948-49), set up by the Government of India under the chairmanship of Kasturbhai Lalbhai, recommended continuance of the arrangement of the EO working also as the principal of civil service training school, asserting "in our opinion, the EO has not got a full day's work".¹³ This functionary was responsible for filling up of middle and senior level management vacancies in the Central Secretariat which then was a sleek organisation.

At the time of Independence, the EO to the Government of India was of the rank of a Joint Secretary and came from the ICS. He was

assisted by an office consisting of one superintendent, one assistant superintendent, 6 assistants of whom 3 were designated "Clerk, Grade A", 7 clerks and one stenographer. Many of the personnel were temporary, having been recruited during the World War II.¹⁴ There was even a proposal early in 1947 that the office personnel under the EO should get an exemption from the general government orders governing recruitment of ministerial staff in the Central Secretariat, the argument adduced being that the EO's work was becoming increasingly complex and continuity of personnel was 'most important'.¹⁵ The request, however, was quickly turned down by the Home Department on the ground that the provisions of the Ministerial Establishment (Recruitment, Promotion and Seniority) Rules applied all over the secretariat without any exception, and as such the office of the EO could not be exempted from them. This continues to be the arrangement even now.

THE EO IN INDEPENDENT INDIA

Drawn from the Indian Administrative Service (IAS) and holding, generally, a rank of joint secretary, the EO to the Government of India is an important functionary in the field of higher level staffing in the headquarters organisation of the Government of India. Located in the Ministry of Personnel and Training, he works directly under the Cabinet Secretary and the Secretary in the Ministry of Personnel, his performance being appraised by the latter and 'reviewed' by the Cabinet Secretary. He is secretary to the Appointments Committee of the Cabinet (ACC) and as such receives all communications intended for the latter. He is secretary of the Senior Selection Board (SSB), member-secretary of the Central Establishment Board (CEB) and communicates their decisions to the ministries concerned.

The Maxwell Committee's outline still broadly governs staffing so far as the fundamentals of institutional arrangements are concerned but the modifications introduced are also many. The Committee, one may recall, wanted an Establishment Board to recommend individual names for appointments; and this practice continues but in a modified form, and the new arrangement is discussed in what follows: The Establishment Board was renamed as the CEB after Independence, and the EO was made its secretary. In 1970, a new Board called the SSB was created and made responsible for appointments to the post of Joint Secretary and equivalent and above. The SSB is headed by the Cabinet Secretary and includes the Secretary of the Department of Personnel and some other secretaries nominated by the Prime Minister for one year term, the EO being its Secretary. The other Board, the CSB, consists of the Personnel Secretary, who is

the ex-officio chairman and two other secretaries nominated by the Prime Minister, and the EO, who is its member-secretary. Every year, the Board prepares panels for under secretaries, deputy secretaries and directors.¹⁶ It is from this approved panel that individual appointments are made. The indenting department notifies its vacancies to the EO giving a job-profile, and the EO sends a list of three or four or even more names from the panel out of which the department picks up one. The EO is associated with both the Boards and does all the preliminary work necessary for the purpose. He processes appointments to posts of under secretaries, deputy secretaries and directors, and plays a sort of active role so far as selections to these posts are concerned. The posts in the Central Government being for fixed tenures, the departments keep on indicating the vacancies under them and job description of each post; and it is among the primary tasks of the EO to find out eligible bachelors for purposes of matching the man with the job.

Appointments in the secretariat are governed by what is called the Central Staffing Scheme under which all higher vacancies are filled up by fixed-term deputation of all services, both all-India and Central. For appointment to each level, certain eligibility criteria have been prescribed by the government, and those who fulfil them are put on the panel, which is regularly revised. The exercise of empanelment as well as of recommending individual names is done by the appropriate Board, but all the necessary processing is done by the EO. Empanelment ordinarily does not create problems, as the rules of eligibility are clearly laid down but the respective Board will have to decide some difficult cases. A particular civil servant is about to complete his tenure in the secretariat, but may seek extension of his term. Or, a civil servant, who reverted to his parent cadre only recently, wants a fresh deputation even though he has not completed his 'cooling off' period.¹⁷ Or, an officer, when moved out of the Central secretariat, joins some Delhi-based organisation in the expectation of his early return. Such difficult cases apart, the jobs in the secretariat are limited and pressure on them, particularly on economic ministries, is heavy, which adds considerably to the difficulties of both the recommending and appointing authorities including, of course, the EO. The Central services have also been making claims on posts in the secretariat. So does the Indian Police Service. The cumulative result is a very heavy load of pressure on the headquarters postings and transfers. Even high level political and bureaucratic pressures may also be brought to bear on them in a bid to influence placements, especially for higher, prestigious jobs.

Technically speaking, both the SSB and the CEB as well as the EO enjoy but a recommendatory status. For each vacancy, a panel of

three or four or even more names is generally sent to the department concerned, and the secretary of the indenting department may pick up any one from the list, or may even ask for a fresh panel which, it is true, is not very common. Informal exchange of views between the Personnel Secretary, EO and the departmental secretaries, however, nearly may wield a bit much more influence in matters of middle management appointments, especially at its lower rungs in the Government. "It is like a chessboard", one high-ranking civil servant confided with this author, "and not many can beat the EO in the game. This is because his channels of communication are too many". But the more specialised the qualifications for a job the narrower is the discretion left with the EO. Also, his role is limited and of nominal significance when he works for the senior SSB. The proposals for appointments to the posts of the level of Joint Secretary and equivalent and above are initiated by the Cabinet Secretary, and the EO has little initiative or influence.

The apex-level body to approve all appointments of the level of deputy secretary and equivalent and above under the Central Government, both within the secretariat and outside it, is a political one. It is the ACC, consisting of the Prime Minister, the Home Minister and the minister under whom the vacancy occurs; the EO is its secretary. While servicing the ACC, the EO functions directly under the supervision and guidance of the Cabinet Secretary.

Regardless of his real skill in influencing appointments, the EO is formally associated with all the agencies involved in the task. The following table may provide a broad idea of the workload generated in this connection:

Workload of Agencies of which the EO is Secretary¹⁸

Sl. No.	Name of Agency	No. of Cases During 1981-82	No. of Cases During 1982-83 (April-December)
1.	Central Establishment Board	564	490
2.	Senior Selection Board	138	106
3.	Appointments Committee of the Cabinet	1360	1028

The EO maintains the confidential service files of all the four thousand and odd members of the IAS, it is the only exception is his own confidential file which, as a rule, remains with the Cabinet Sec-

retary. A recent innovation is the preparation of 'executive record sheets' or index cards containing qualifications, experience, age of each member of the IAS so that he is able to furnish at short notice names of all eligible officers fulfilling the prescribed qualifications for a particular job. Besides, he has unhindered access to the character rolls of all higher civil servants belonging to other services and may send for them as and when called for. The EO remains in regular contact with the secretaries, including cadre authorities, in various departments and chief secretaries in the states in his supreme effort to match the demand and supply of officers. From the cadre authorities of various services, he regularly obtains names of officers qualified and available for postings in the secretariat and the attached offices. Similarly, he is continually fed with information on the likely vacancies, the filling of which is his responsibility. A large number of telephone calls come in his office, and besides, civil servants of various ranks and services call on him at all times of the working hours, their daily number being somewhere around fifty. It is not necessary that they bring only their individual problems, although many of them do. The chief secretary of a state may, for instance, be discussing with him the deputation or reversion matters of officers of his state. A telephone call may perhaps ask him to expedite a particular case in view of the manpower shortage in the department. It is also not untrue that personal favours too are sought and conferred. Indeed, the higher the job especially in the economic ministries, the more intense is the lobbying for it, and thus caught, the EO too, has his own share of the high level pressure, although the brunt is usually borne by the secretary of the department having a vacancy and the Personnel Secretary/Cabinet Secretary, depending upon the level of the post and the clout which the aspiring candidate may have.

The EO has been designed as an institutional link to ensure flow of officers from the supplier to the indenter, and back. Over the years, the pressure on the headquarters posts has been mounting as an increasing number of officers from the all-India services as well as Central services have begun to demand secretariat postings, and what is more, those already posted are generally reluctant to move back to their parent cadre at the end of their tenure.¹⁹ The cases of overstay of officers are fairly large. And, a very large number of officers otherwise eligible for secretariat postings have not been tapped at all. Speaking only about the IAS and the Indian Police Service (IPS), the Estimates Committee of Parliament reported in 1984 that as many as 1591 IAS officers and 768 Indian Police Service officers (other than those belonging to the cadre of state of UP) with more than five years service to their credit have never been on

deputation to the Government of India.²⁰ The Committee concluded: "This shows that the opportunities for deputation to the Centre have not been distributed equitably".²¹ The present tale is one of sub-optimisation and points out the need for extended search for manpower in the secretariat.

The EO's responsibilities, one may note, transcend the world of secretariat appointments. As the ACC is the final approving authority for all appointments of the level of deputy secretary and above under the Government of India he, naturally, comes to deal with selection of senior personnel in the headquarters as well as in public undertakings, nationalised banks, government-owned companies, statutory authorities, etc. Besides, matters like deputation to international agencies and foreign government, selection of officers for overseas fellowships, etc., also claim his time and attention. With growing attraction for international assignments and foreign fellowships, the competition within the civil service itself becomes keen, which, too, makes the role of the EO look important and powerful. In addition, the EO is a member of, or associated with, many committees which, too, keep him occupied.

For proper performance of all these tasks, the EO is assisted by a large-sized office of subordinate officers. The Government of India, today, conducts a large number of training programmes in subjects, including personnel management, but the personnel who look after staffing matters need possess no professional qualifications. Like the EO, they pick up the knowledge of the job while actually doing it.

SUMMING UP

The EO system seeks to link the states with the Centre, and the field with the headquarters by a process of appointment of personnel possessing first-hand experience of the other side of the ring, and their rhythmic rotation. This constitutes India's model of institutional response to certain important facets of administrative federalism. But the system necessarily functions within the context of both democracy and development, and thus finds it hard not to remain unaffected by pressures and forces released by both. Though both feed on each other, the craze for postings in economic ministries or foreign deputations, for instance, is a consequence of development, and lobbying for placements, of democracy. The same urges dictate that manipulation be permitted by not restricting the discretionary judgement on the part of the members of the system. At present, empanelment of a civil servant does not necessarily imply his eventual appointment, for the simple reason that some departments must also

show readiness to accept him. As the empanelment is done every year and as it has not been prescribed that the present panel must first be exhausted before the new one is opened, some unescorted civil servants may really get bypassed. The present arrangement of letting the departments pick up civil servants from the panel and non-insistence on complete utilisation of the year's panel before fresh booking starts, strengthens the manipulative capacity of the system.

Standardisation of merit ratings of officers opting for headquarters postings is no less a serious problem. Different officers have different standards of appraising the performance of the subordinates. This apart, there being as many as 22 cadre authorities in the case of IAS and IPS, their members, though belonging to the same service and all competing for an increasingly limited number of senior jobs, are appraised differently, creating problems of standardisation and comparison.

This notwithstanding, the EO and the Boards, of which he is secretary, appear to be a functional necessity in an administrative system under a federal polity under which the central level of government does not possess a civil service of its own for its headquarters. Such a denial, to be sure, is neither constitutionally imposed nor enjoined under any statute, but flows from its own determination to ensure free flow of experience from the constituent states and other field agencies to its headquarters where overall policies affecting the society are made. The reverse flow is again motivated by the same resolve to create vacancies so as to enable induction of personnel possessing fresh experience. In the process, the states and field agencies are also enabled to get officers directly acquainted with the objectives of the policies which they are now implementing. It is the responsibility of the EO and the Boards to see that this recycling process keeps going, thus continually integrating the field experience with policy-making, and the states with the government at the Centre.

REFERENCES

1. Only the provincial part of the Act came into force in 1937.
2. The only exception is the Central Secretariat Service whose members man the lower and middle management positions in the secretariat.
3. The Ministry of External Affairs and the Ministry of Railways are exempted from this rule.
4. Government of India, Finance Department (Reforms Branch), File No.30(52)-Ref-(D-1951), 1936.
5. It was a common practice on the part of the British Government in India to set up committees on administrative matters soon after the announcement of constitutional reforms. It set up the Secretariat Procedure Committee (Chairman, H.Llewellyn-Smith) following the enactment of the Government of India Act, 1919 and the Government of India Secretariat Committee (Chairman: Sir Henry Wheeler) and the Committee on Organisation and Procedure (Chairman: R.M. Maxwell) after the passage of Government of India Act, 1935.
6. Report of the Committee on Organization and Procedure 1937, p. 28.
7. Ibid. p. 28.
8. Report of the Committee on Organisation and Procedure, 1937, p. 28.
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13. Report of the Economy Committee on the Ministry of Home Affairs, Delhi, Manager, Government of India Press, 1949, p. 5.
14. Government of India, Home Department-Ests(Sp.) Section File No.20/41/47-Ests(s), 1947.
15. See A.H. Lloyd, the Establishment Officer's letter to G.F. Williams, Joint Secretary in the Home Department, No.45(1)-E.O./47 dated March 29, 1947. See Home Ests (Sp) Section File No.20/41/47-Ests(s), 1947.
16. One may recall that the indenting departments were making their selections before the setting up of the office of Establishment Officer in 1939, and this convention is still honoured.
17. Subtle are the forms in which such cases are brought before the Board. For instance, the department itself is persuaded to initiate the move for extension of an officer's term on 'public interest'. Or a department may send a request specifically for a particular officer though he reverted to the state only a few months back and has not yet 'cooled off' to qualify for another deputation.
18. Compiled from the Annual Report for 1982-83 of the Department of Personnel and Administrative Reform, Government of India.
19. See Ninety-Third Report of the Estimates Committee 1965-66 ~ (Third Lok Sabha), pp. 72-73, Seventy Seventh Report of the Estimates Committee 1983-84 (Seventh Lok Sabha), p. 57.
20. Seventy Seventh Report of Estimates Committee, 1983-84, op. cit., p. 58.
21. Ibid., p. 58.

Popular Participation in Economic Planning

AWADHESH P. SINHA

THERE IS an obvious tension between economic planning and popular participation. They are both concerned with decision-making. In economic planning, it is the state that makes decisions, inevitably centralising and bureaucratising economic life. Popular participation, on the contrary, implies decisions by the people and, therefore, decentralisation and debureaucratisation. It is on this struggle for the same ground that the contradiction between the two is founded. But each has such a compelling rationale that a choice between them is ruled out. Practical considerations require that their contrary demands be balanced in an optimal system. It is one thing, however, to recognise the need to reconcile economic planning and popular participation and quite another to devise an optimal system for the purpose, or indeed, even to determine what the criterion for optimality can be. The problem has particular relevance to socialist and Third World countries. As Myrdal¹ has pointed out, in western countries, the coordination and redirection of forces interfering in the market, which is the essence of their economic planning, is ordinarily carried out not unilaterally through legislation and administration but by the interplay of the state and a rich assortment of collective bodies at lower levels, each of which responds primarily to the interests of its own constituency. This system of popular participation in economic planning has not been created by the state. It has evolved gradually in the context of established traditions of political democracy and considerable economic and social progress. Most socialist and Third World countries have neither these advantages nor the option to wait patiently for gradual evolution to do the needful. They urgently need effective systems of popular participation in economic planning as a *sine qua non* for rapid development and must, therefore, devise them.

The reconciliation of economic planning and popular participation hinges on the question of location of decision-making powers. As Weberian ideal-types, they stand literally poles apart in the matter.

Economic planning favours location of decision-making powers vertically at the summit and horizontally with the bureaucracy. Popular participation, on the other hand, requires these powers to be located at the respective opposite poles--vertically at the base and horizontally with the people. The basic function of any system of popular participation in economic planning is to balance the conflicting demands of economic planning and popular participation as regards the vertical and horizontal distribution of decision-making powers. This necessarily implies a compromise between the two. For the compromise to be optimal, however, it is imperative that the essential values inherent in the concepts of economic planning and popular participation are not lost. These values are coordination in the case of economic planning, and what may be called quantitative totality and qualitative authenticity in the case of popular participation.

PLANNING AND DECISION-MAKING

Economic planning and centralised decision-making coincide to such an extent that they are usually regarded as inseparable. Their relationship, however, is not structural but functional. Centralised decision-making is the means by which economic planning achieves coordination of policies within the framework of a single strategy for the realisation of common objectives. To the extent it becomes possible to achieve such coordination by other means, centralised decision-making can be dispensed with. But coordination itself is essential to economic planning. No system of popular participation in economic planning can, therefore, be considered optimal unless it ensures coordination.

The relative number of people making decisions defines the quantitative dimension of participation in economic planning. There can be many variations in this regard. At one extreme, a single person may make decisions (zero popular participation) and, at the other, all persons may make decisions (total popular participation). By definition, the former is incompatible with the objective of popular participation in economic planning. The latter, on the contrary, carries that objective the farthest. In doing so, however, it presents seemingly insurmountable difficulties. In terms of sheer organisation, the demands that a system based on total popular participation makes are mind-boggling. Even if the advance of technology were to make it possible to meet these demands at an affordable cost, it is quite doubtful that everyone could be interested in everything to an extent sufficient to achieve total popular participation. From this emerges the concept of some persons making decisions (partial popular participation) as an alternative to the concepts of a single

person making decisions (zero popular participation) and all persons making decisions (total popular participation). In concrete terms, this means decision-making on behalf of the people by those elected for the purpose. Popular participation in economic planning, as in any other sphere of life, however, means decision-making by, as distinct from merely on behalf of the people. It is only on that basis that one can distinguish between formal democracy, which, as Abrahamsson has pointed out,² presumes a certain amount of apathy on the part of the people, and popular participation, which requires their active involvement. Moreover, in Third World countries, popular participation necessarily implies the participation of those whom a publication of the United Nations has called "the majority population strata characterised up to the present by low income, low educational levels, and restricted or non-existent opportunities to make their voices heard in national affairs"³ and whom Hollnsteiner has simply described as "the poor majority with little access to resources and power".⁴ In the ultimate analysis, it is they who are the people and, without them, participation cannot be said to be popular. For these sections of the society, however, the only choice is between direct participation and no participation at all, as the institutions of indirect representation, no matter how democratically elected, invariably tend to be hijacked by vested interests. Jayaprakash Narayan, a prominent Gandhian, has described this phenomenon with reference to local self-government in India thus: "You take the village as it is and you give it the right of electing the panchayat and carrying on certain functions and duties. What will happen in such a village?...the dominant castes or a few leading families or the bullies will capture the panchayats, and run them for their own use".⁵ A system of popular participation in economic planning, therefore, can be regarded as optimal only if it meets, at least substantially if not wholly, the test of quantitative totality in the sense of all persons making decisions.

As a publication of the United Nations has observed, there are three ways in which the people can contribute to the formulation of economic plans. They can provide information, augmenting the volume and accuracy of data on the basis of which the planners can identify alternative courses of action. Secondly, they can register their preferences about the alternative courses of action identified so that, taking them into account, the planners can make an appropriate decision in the matter. Finally, they themselves can make, or share in the making of, decisions.⁶ Each of these three kinds of contributions is valuable for economic planning. But the first two cannot be regarded as popular participation in economic planning. The essence of economic planning is decision-making and it is only when, and to

the extent, the people make, or share in the making of, decisions that they can be said to participate in it. Further, decision-making is usually regarded as the act of choosing from among alternatives. If, for example, an individual votes to choose between two candidates in an election, he may be said to be participating in decision-making. He indeed does so; but his participation is circumscribed by his choice being limited to two candidates in whose selection itself he has had no part. His own decision is dependent upon other decisions sponsoring the two candidates. It is, therefore, a secondary decision. As a publication of the United Nations has shown, decision-making goes through four stages; defining the situation requiring a decision and specifying alternative courses of action; choosing the preferred alternative; determining means for implementing the chosen alternative; and evaluating the results of the action.⁷ Of these four stages, the first is most important because the way in which the problem-situation is defined not only determines the possible alternative solutions but also tends to restrict the number of choices. It, thus, involves primary decisions. It is necessary that, to be optimal, a system of popular participation in economic planning must provide for primary as well as secondary decision-making as embodied in the concept of qualitative authenticity.

The question, thus, is: how can a system that provides for all persons making all decisions without impairing coordination be devised? The answer lies in demarcating the scope of matters to be decided according to the principle of spatial relevance. As Johnson has pointed out, one of the main differences between developed and under-developed countries lies in the manner in which their space is organised.⁸ In under-developed countries, the dominant organising principles are military, sacerdotal, juridical and administrative. As they develop, however, the organisation of space in these countries undergoes a fundamental change. The market gradually becomes the dominant organising principle. In either case, however, space is organised hierarchically. The needs to which an economic plan addresses itself correspond to different levels in the hierarchy of space. Let us, for example, consider the need for roads. Within a country, roads may be needed to link two or more provinces, two or more districts, two or more parts of a district, two or more settlements (cities, towns, villages, etc.) or two or more parts of a settlement. Roads may, thus, be classified as national, provincial, district, inter-settlement and intra-settlement. Each class of roads relates to a particular level in the hierarchy of space. All needs have a similar spatial relevance. The powers to make decisions about needs can, therefore, be similarly structured. From this emerges the concept of multi-level economic planning. On a vertical axis,

decisions can be made either at the summit or at the base or at the several intermediate points. In the concrete case of a country, these are represented by the nation, the community and the region ~~234~~ respectively. The national level is the most convenient for economic planning in view of the ease of coordination it affords. It is also the level, however, at which meaningful popular participation is most difficult, if not actually impossible, to achieve. Economic planning is, therefore, often advocated at the level of the community, a concept dogged by unending controversy but which can be understood, as suggested in a publication of the United Nations, as "the lowest level of aggregation at which people organise for common effort."⁹ Clearly, this is the level at which popular participation is easiest to organise. But this level, too, has its disadvantages. The scope of decisions that can be made at the level of the community is necessarily very limited, as are the resources that can be mobilised here, and the problem of coordination, ever-present where decentralisation is attempted, can become insurmountable. There is a growing body of opinion, therefore, in favour of economic planning at the regional level, an unhappy term used to denote any number of levels below the nation and above the community, as, for instance, the district in India. It is presumed to combine the advantages of national and community level economic planning. But it can also combine the disadvantages of both and, in some respects, be in the real danger of falling between two stools. Every level, thus, has both advantages and disadvantages and this appears to present an exceedingly difficult problem of choice. But it is not really necessary to choose from among them. The question of level in economic planning has been wrongly posed in either/or terms. What is required is economic planning not at the national level or the regional level or the community level but at all these levels simultaneously according to the spatial relevance of the activities covered.

As has been seen earlier, quantitative totality, in the sense of all the people taking decisions, is essential to popular participation in economic planning. But, as Weber has pointed out, it is "unsuitable in organisations beyond a certain limit of size, constituting more than a few thousand full-fledged members".¹⁰ According to conventional wisdom, the alternatives in such circumstances are no popular participation or indirect popular participation whereby decisions are made on behalf of the people by their duly elected representatives. The validity of indirect popular participation has been widely recognised, as, for instance, in the workshop organised by the UNICEF¹¹ at Agra, India in 1981. But this recognition is based on a failure to distinguish between formal democracy, where representatives are empowered by the people to make such decisions as

they deem fit, and popular participation, where the people are actively involved in decision-making. The significance of multi-level economic planning is that it provides a basis for precisely this kind of popular participation at the community level with regard to matters of the most proximate concern to the people in combination with indirect popular participation at higher levels where, and to the extent, there is no alternative. It also lays down the framework within which both primary and secondary decisions can be made at each level, thus ensuring the qualitative authenticity of popular participation in economic planning. What is more, it does so without sacrificing vertical and horizontal coordination, without which there can be no economic planning. The principle of spatial relevance, according to which activities and resources are disaggregated, also provides the basis for aggregation, thus simultaneously resolving the separate but related questions of downward devolution and upward integration posed by the contrary demands of popular participation and economic planning respectively.

METHODOLOGY OF PARTICIPATION

The Maharashtra Experience

The essential elements of this methodology are vividly demonstrated by the system of multi-level economic planning existing in the state of Maharashtra in India. Due to the recent and as yet inadequate development of markets, the organisation of space in this state, as in the rest of the country, is still predominantly administrative. Below the state, the administrative hierarchy has four levels--the division, the district, the tahsil and the settlement (village, town, city, etc.). Theoretically, therefore, it should be possible to organise economic planning at five levels by demarcating the scope of matters to be decided according to the principle of spatial relevance and allocating the financial resources at the disposal of the state government on that basis. At present, however, while there is no economic planning at the level of the division, that at the tahsil and settlement levels is limited to only a few matters, such as the Integrated Rural Development Programme (IRDP) in the case of the tahsil and the National Rural Employment Programme (NREP) in the case of the village. At the remaining two levels, the state and the district, where most of economic planning is done, the demarcation of the scope of matters to be decided has been effected broadly according to the principle of spatial relevance. Thus, for example, roads needed to link two or more districts, which are known as 'state highways', are catered for at the level of the state, leaving the roads needed to link two or more parts of a district

(district roads), two or more settlements (other district roads) and two or more parts of a settlement (village roads/municipal roads) to be catered for at the level of the district. In practice, however, the principle of spatial relevance has been considerably diluted by the state government reserving for itself the powers to fix the level of funding for many schemes otherwise classified as district level schemes. During 1982-83, for instance, as much as 29.4 per cent of the total annual plan outlay for the districts was affected in this manner.

The half-hearted approach to multi-level economic planning as evidenced by the neglect of the divisional, tehsil and settlement levels and the dilution in practice of the principle of spatial relevance in demarcating the scope of matters to be decided at each level has had two major deleterious consequences. The first is that decision-making has remained more centralised than necessary. Today, many matters that can be decided at the level of the division and the district are being decided at the level of the state. Similarly, matters that can be dealt with at the levels of the tehsil and the settlement are being dealt with at the level of the district. An opportunity is, thus, being missed to bring economic planning as close to the people as possible. The second, and even more important, deleterious consequence of the half-hearted approach referred to above is that it fails to achieve quantitative totality, recognised earlier as a value indispensable to optimal popular participation in economic planning. The population of Maharashtra, as revealed by the census of 1981, is 39,554,000. A district in that state would have considerably more than a million persons living in it. Even at that level, therefore, and certainly at the level of the state, popular participation in economic planning is, and can only be, indirect. At the state level, the Council of Ministers responsible to a democratically elected legislature and advised by a nominated State Planning Board makes decisions. The responsibility for economic planning at the district level rests with a District Planning and Development Council consisting of elected members of the national and state legislatures, certain elected office-bearers of rural and urban self-government bodies, representatives of various interest-groups and of banks, and key government officials. There is no opportunity in either case for the people themselves to make decisions so as to enable the entire exercise to rise above formal democracy to the level of popular participation. This might have been possible had the settlement been recognised as a level in an integrated system of multi-level economic planning firmly based on the principle of spatial relevance.

Although the system of multi-level economic planning prevalent in

Maharashtra fails to meet the test of quantitative totality, it adequately embodies the other two values seen earlier as being essential to an optimal system of popular participation in economic planning, namely, qualitative authenticity and coordination. This can be seen from the procedure laid down for the exercise. The state government determines the overall outlay of the economic plan for the year. It then allocates approximately 40 per cent of that outlay among the districts in accordance with a formula that takes into account eleven factors--total population, backward class population, urban population, agricultural backwardness, communication backwardness, irrigation backwardness, industrial backwardness, problems of coastal districts, drought-prone areas, forest areas and special problems. These allocations are communicated to the districts along with some guidelines to facilitate the work to be done at that level. These guidelines are general enough to leave substantial freedom to the districts to make not only secondary decisions in the sense of choosing the preferred alternative but also primary decisions in the sense of defining the situation requiring a decision and specifying the alternative courses of action. At the same time, by laying down the broad objectives and strategy, the guidelines ensure consistency between the state and district segments of the economic plan. With reference to these common objectives and strategy, the districts proceed to formulate their economic plans within the allocations, given to them and with regard to matters of spatial relevance to them. These economic plans are then considered by the state government, problems, if any, resolved in discussions with the district planning and development councils at which, unless any of the guidelines has been seriously infringed, the districts have the last word, and, finally, integrated in the state plan. By providing for separate spheres of decision-making and funds but a common frame of reference, the procedure, thus, ensures both qualitative authenticity and coordination.

The Chinese Experience

An even fuller illustration of the methodology is provided by the system of economic planning evolved in China.¹² It is often described as embodying "the top down and the bottom up" approach because it provides for both downward devolution and upward integration in an optimally articulated arrangement. The country is divided into 29 main administrative units (autonomous regions, provinces and municipalities) and each of these is subdivided into a series of smaller units which extend right down to the level of the 'production team' in rural areas and 'streets' in urban areas. Each level plans with regard to matters spatially relevant to it through a hierarchy of

'revolutionary committees', the crucial difference when compared to the system in Maharashtra being that, at the basic levels, the population participates in decision-making directly, thus achieving the quantitative totality that Maharashtra has not. This has been possible because, while Maharashtra is yet to decentralise economic planning to a level below the district populated by over a million people, China has carried the process down to the levels of the 'commune' and the 'production team', reported by Aziz¹³ to have 9,000 to 50,000 persons and 25 to 30 families respectively.

A clear idea of the manner in which China achieves qualitative authenticity and coordination, the other two values identified earlier as being essential for optimal popular participation in economic planning, can be had from an examination of the process of agricultural planning undertaken every year. The first stage is for every level in the hierarchy, from the 'production team' upwards, to submit to the level above an estimate of the production in the forthcoming year and the proportion of that production that will be available for sale to the state. On reaching the national level, the estimates are reconciled with estimates of national demand. The revised estimates emerging from this exercise become production targets and are passed down the hierarchy, each level setting targets for the level setting targets for the level immediately below. It is then up to each administrative unit to decide the best way of achieving the targets assigned to it. At each level, therefore, both primary and secondary decisions are made in the sense that the people at the lowest levels and the 'revolutionary committees' at higher levels have a major say in deciding not only how things are to be done but also what is to be done and how much. Moreover, this extra ordinary degree of local autonomy is achieved without detriment to coordination, thanks to "the top down and the the bottom up" approach referred to above.

The Chinese system is perhaps the best-known and most successful example of popular participation in economic planning, at least in the under-developed world. It is the product of a particular social system and, as many scholars¹⁴ have pointed out, can perhaps not be duplicated elsewhere. But, as Maharashtra has shown, there is nothing peculiarly Chinese about the underlying concept of multi-level economic planning based on the principle of spatial relevance. Admittedly, social systems have varying potentials for popular participation in economic planning and other spheres of life. The concept of multi-level economic planning based on the principle of spatial relevance cannot, of course, exceed that potential. It can, however, help to realise it fully, optimising the social system, and that is by no means an unworthy objective to strive for.

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Changing Role of the District Officer

ABHIMANYU SINGH

THE DISTRICT officer is the highest and the key functionary of the state government at the district level. In pre-Independence days, the district officer (DO) enjoyed supreme authority within the district. The DO is popularly known as the district magistrate and collector. In some states he is addressed as deputy commissioner. The reason for the latter designation is purely historical. DOs who were posted in the districts created by the regulations under the East India Company were designated as district magistrates. In the districts, which came into existence after the regulations, they were designated as deputy commissioners. Collectors were first appointed by the East India Company in 1772 to supervise the work of Mohammadan district officers. The reason for creating this office was that "people accustomed to despotic authority should look to one master". It was in 1831 that the regulations gave rise to the modern office of 'magistrate and collector'. The DO was designated to be the central authority, the 'Hakim', par excellence of his district.

Thus, our country has inherited the institution of DOs from the days of the British. As Lord Wavell stated, "The English would be remembered not by this institution or that but by the ideals they left behind of what a district officer should be". No where else in the world there is any institution resembling the DOs of India. Since Independence there has been persistent criticism of this office. It is alleged to be undemocratic. It is questioned why a single individual should enjoy such large and regulated powers. There is attack from the other services also, who complain that a generalist DO, who is called upon perform jobs for which he has no special knowledge or training, is ill-equipped to perform the jobs assigned to him. Dependence on the collector only implies that there would be delay without improvement in performance. Lastly, it is stated that there has been considerable diversification in the functions of the DO. He is already too over-burdened with law and order duties and other numerous miscellaneous responsibilities to attend to

the more pressing tasks of rural development.

Though there has been much talk of reducing and dispersing the powers of the collector, yet in practice the state government has found it convenient to depend more and more on the DO for execution of its important programmes. Government, whenever in difficulty, has looked to the DO for execution of its programmes. Such is the faith of the people in the efficacy of the office that they even go to the extent of asserting that involvement of the DO and the seal of his office is enough to ensure the successful execution of any programme. Officers of other departments, whether they are under the DO or not, feel that the orders of the DO are not to be flouted and must be carried out. All departments, during the time of distress, solicit the DO's favour and the DO is expected to render assistance to the officers concerned even when he is not directly concerned. During the drive to exterminate small-pox, the DOs were made in charge of the programme, and for this purpose they were vested with the power to transfer medical officers within their district for a limited period of three months. Similarly, when discipline broke down in the universities in Bihar and governing bodies of colleges were superseded, the DOs were appointed presidents of the ad hoc committees of colleges within their jurisdiction in a bid to restore discipline in the educational institutions. But the DO, like any other functionary, has physical limitations and frequent use of his name and authority to control all sorts of problems would only berate the authority of his office. When and how the DO should be utilised, and when he should precisely act are matters for careful consideration or else the aura of infallible authority that has accrued to the office since British times will disappear.

Recently attempts have been made to make the office of the DO more amenable to popular control. His judicial powers have been greatly reduced, while some of his other powers have been transferred to other functionaries. Several committees have been constituted at the district level to assist and advise the DO in discharge of his duties. The legislators are generally represented on these committees besides other non-officials. But these committees meet rarely, attendance is also poor and they are not able to pursue their decisions. The discussions are mostly centred around eliciting information. Needs of particular areas are vociferously pressed by representatives of the area whereas pressing needs of the district as a whole are ignored. The committees have hardly enough time to draw a programme of action. A DO may also successfully avoid calling the meeting of these committees. The ministers are also shy in attending these meetings and are not very enthusiastic about the decisions taken. With frequent change of ministers as well as DOs, there is also no

continuity in such meetings. The result is that most of the committees fail to have any effective role or exercise influence on the district administration. In practice, therefore, there is hardly any popular control over the office. The only control which can be exercised over the DO is through the state government and this situation often brings him in confrontation with the public representatives from the district. Such a system can be defended on the ground that the DO must be strong enough to withstand pressure from local leaders who have parochial interests in mind. But this leads to frustration among the public representatives who feel that they are being ignored. Though there is popular government at the Centre and at state levels, we have so far hesitated from establishing popular institutions at the district level. The result has been that the panchayats, the popular institutions at the grassroot level, have failed to be strong. The panchayats function under bureaucratic patronage and function more as appendages to bureaucracy than as independent agencies in formulation and execution of popular programmes.

THE ADMINISTRATIVE HIERARCHY

Relationship of the District Officer with BDO/SDO/ Divisional Commissioner/State Government

*Answer
S-11* The DO hardly finds enough time from his routine duties to devote to the problems of the interior rural areas. The DO can supervise and manage the problems of a district comprised of 10 to 15 blocks, more effectively than large districts with nearly 40 to 50 blocks and population approaching 3 to 4 million. It is obvious that in such a large district, the DO, due to his multifarious duties and engagements and the volume of his work, can not give personal attention to the problems that arise.

The DO is a senior level IAS officer, generally of 6 to 10 years seniority if he is a directly recruited incumbent. He is generally a young man, not more than 35 years of age. He is assisted in the discharge of his duties by two to three officers of additional collector's rank. One of them, the district development officer, assists the collector in the discharge of his developmental functions. The additional collectors look after revenue and law and order duties. They are senior officers of the state civil service with more than 20 years of service and are above the age of 45.

During the British days and until the judiciary was completely separated, the real limbs of the DO were his sub-divisional officers. How far the DO is effective, depends, to a large extent, on the quality of his additional collectors, SDOs and other subordinate

Leadership quality
staff, as he functions more as a leader of a team than as a mere executive. The DO is expected to provide guidance to the SDOs and to strengthen their hands. As captain of the team, he has to carry his subordinates with him. It is his qualities of leadership and heart which come into play. The subdivisional officer does not write the confidential report of the officers who are placed under his supervision. This is done by the DO who gets an assessment report of the officers from the subdivisional officers concerned. Similarly, the SDOs have only limited financial powers and he has to depend upon the sanction of the DO for majority of the expenditure incurred by him. Generally the DOs allow free hand to their SDOs. The position becomes really difficult when any of the SDOs is slack and unable to cope with the problems. The DO has to take the initiative in such situations.

Confidential Report
The SDOs are in direct contact with the block development officers (BDOs) and circle officers (COs). The BDOs/COs are in contact with the masses and are thus the real executors of government programmes. In many districts, the regulatory functions are separated from the developmental functions. The agricultural programme is supervised at the block level by the Prakhand Vikas Padadhikaris who are drawn from the agriculture service. The anchal adhikaris look after the revenue functions. The BDOs/COs carry a lot of responsibility and the performance of government depends to a large extent on their ability. The calibre of the average BDO is not high. Till recently, they belonged to the junior branch of the civil service but with merger of senior and junior branches into one cadre, it is expected that the quality of recruits would improve. The BDOs/COs' job is very strenuous and responsible and they have to cope up with the pressures of local politics. It is not surprising, therefore, to hear complaints that the BDOs/COs are partisan or are taking the side of influential men of the area. The situation gets further aggravated due to a tendency to post new recruits as BDOs/Cos. This is risky, for the powerful groups prevail upon such inexperienced officers. Administration at the grassroot level would gain in strength if experienced hands are posted as BDOs and COs. It would be also worthwhile to improve the working conditions at the block level.

The DO is assisted in his day-to-day work by about half-a-dozen deputy collectors at the headquarters who head the establishment, arms, legal, revenue, relief, nazarat and certificate sections, besides attending to other miscellaneous duties. The departmental officers of the food and supply, welfare, panchayat and statistics departments also function directly under the supervision of the DO.

The collector is the supreme master of the district, subject to the general supervision of the commissioner. The commissioner is a

senior officer of the IAS cadre of nearly 15 to 20 years seniority. By virtue of his longer experience, the divisional commissioner is expected to act as a mentor to the DO. Generally, the commissioners allow a free hand to the DOs. He interferes only occasionally to correct and guide the DO. The commissioner hears appeals against the orders of the DOs in revenue, arms and service matters. The commissioner is supposed to be the link between the DO and the secretariat.

This concept of an elder and experienced brother guiding the younger one in complicated affairs of the district, however, does not work very smoothly in practice. The commissioner has no financial powers except some nominal executive powers. The result is that the DOs do not experience any disadvantage in having direct contact with the state government and it is not unusual for the state government to correspond directly with the DOs. In the existing circumstances, this cannot be avoided. The office of the commissioner assumes importance only when serious law and order situation emerges, or when some superior officer is required to enquire into the lapses of the district administration. The DOs view the office of the divisional commissioner (DC) as an unnecessary hindrance. The corrective role of the DC is often interpreted as interference. The line between correction and interference is too thin, and it could lead to estrangement.

(Confidential to Govt.) The supervisory role of the DC is vast but he has no means of backing up these functions. He can issue directions but he has to depend on the DO for its execution. No doubt, the DC writes the confidential report of the DO, but it would be unfair to use this power to have control over the DO. The confidential report is an assessment made only at the end of the year and goes into the record of the officer. The chief minister also writes the character roll of DO and if he has kept the politicians on his right side, surely he can look to chief minister for reprieve. To make the supervisory role of the DC meaningful, there should be some arrangement for making it effective. For instance, government should take decision on important matters concerning a district, only after considering the views of the DC. This may be difficult to follow in practice.

The role of the DC has been very much undermined after Independence. In British days, the DCs were generally senior British ICS officers, who used to supervise the work of DOs, majority of whom were Indian officers. The British officers as DCs were expected to safeguard the interests of the Raj. There were many matters which could not be mentioned in correspondence. The DCs could be confided in and trusted to carry out these directions.

With the formation of popular government, the above mentioned role of DC is no longer relevant. The DO is as much a loyalist as the DC.

In fact, the DC, as he is directly in contact with the party executives, enjoys their patronage to a greater extent. The state government naturally looks to the DO rather than the DC for managing its local affairs.

FUNCTIONS OF DISTRICT OFFICER AND HIS PROBLEMS

Patronage / nepotism

The DO exercises control over field offices through his visits to the blocks, inspections and frequent meetings and discussions with his subordinate staff by which he is able to monitor different programmes and also fix priorities. Such meetings enable the subordinate staff to know the mind of the DO and pursue those matters which the DO desires to be executed on a priority basis. Routine inspections do not have much value, but it makes the staff alert and keeps them on their toes. Frequent visits to the field offices and review of the different programmes by the DO brings him in contact with the field staff and gives him personal knowledge of local problems. This personal element is very important in administration. Only with personal knowledge, one can hope to make any significant contribution to any problem. If the DO wants to be effective and takes initiative, he must have his own assessment of problems affecting the district.

Attending the D.C. etc.

It is not possible for the DO to attend all the development committee meetings. If his engagements permit, he must find time to attend the block development committee meetings. This is an excellent forum for knowing the local people and understanding the local problems. Every anchal has its peculiar problems but they are few. The usual demands are for more and regular supply of ration, drinking water, water for irrigation and better roads. The complaints are generally about shortage of seeds and fertilisers, irregular supply of power and sometimes attention is also drawn to the inefficiency and corruption in the local offices due to which people are greatly harassed. DO's presence at the block development committee meetings induces the technical officers to attend these meetings. The technical officers generally stay away frustrating the very purpose of these meetings.

In the past, the DO was primarily an agency for collection of government dues. It is for this reason that he is popularly known as the collector. Earlier, he was responsible for collecting land revenue only. Now his ambit is much larger. He supervises collection of nearly all the government dues, which include government loans, cooperative dues, excise revenue, mining cess and royalties, water rates, etc. When these dues cannot be realised, as matter of course, they are realised through certificate proceedings. The hall-

mark of any administration is its ability to realise its dues and enforce its claims. Unfortunately, certificate proceeding is the most neglected item of work in the collectorate. Due to large number of certificate cases, it is virtually impossible for the collector to get acquainted with the cases or pursue them individually. The procedure is cumbersome and the vested interests are active to obstruct the execution of the cases.

Collection of land rent is not much of a problem because of inflation, value of money has depreciated and the amount of land rent is now a token amount which no land owner has any grudge in paying, provided he is contacted and persuaded to make the payment in time. But collection of other government dues is difficult. The popular impression is that government dues are not to be paid. The collection of cooperative dues is on the average only 50 per cent and this also is largely due to the fact that fresh advances to individuals depend upon recovery of previous advances. The cooperative banks insist on minimum collection of 50 per cent of old dues for making fresh advances. Collection of takkavi loan, agricultural loans, etc., is very poor.

Besides being collector of government dues, the DO is the head of the revenue administration and he is the kingpin of the relief operations in the district. In times of drought and flood, the DO is the supreme head at the district level and he is fully responsible for the relief work in the district. It is on his assessment of the situation that the state government takes decision regarding the quantum of relief and its manner of distribution. Of late, distribution of relief has become a politically significant matter. Thus, reports of distress overestimated and exaggerated to enhance for relief. The DO, in such a case, is expected to give a correct picture of the distress to the state government. He is also inclined to yield to popular pressure. This gives him an opportunity to ingratiate the population. The shortage of funds makes it very tempting for him to tap this additional source of funds. Relief funds are seldom utilised to the full. It is generally diverted to other routine items of general administration thereby reducing the impact of relief operations.

The additional collector assists the DO in discharge of his revenue functions which include settlement of Sairats, payment of compensation to ex-intermediaries, settlement of government and public lands and implementation of land reforms programme. These functions are so numerous and urgent that they are enough to engage the attention of the collector fully.

The DO discharges several other functions which make his office important to the public. Besides supervising the distribution of

social security pensions, which include the old, disabled, widow and infirm, he grants leases for mines, administers the excise and prohibition policy of the government, grants licences for arms, and temporary licences for cinemas also. He is the custodian of the land records and in this capacity he is the district registration officer for the district. He is assisted in this function by the sub-registrar who performs the daily duties for him. He is also the head of the treasury. The power to grant arms licences brings the DO in contact with the public. It is a useful practice to grant licences to applicants after the collector personally interviews them. Such a practice enables the DO to have personal knowledge of the individual applicants.

Head of the Public Distribution System

The collector heads the public distribution system and is directly responsible for the distribution of controlled and essential commodities. He grants wholesale licences for trading in foodgrains and other essential commodities. He is the head of the rationing system in the district and expected to control black-marketing and ensure timely and equitable distribution of essential and controlled commodities. In these days of scarcity, availability of wheat, sugar, cooking oil, cement, etc., affect the people most and the success and reputation of the collector depends very much on how successfully he is able to supervise the distribution of these essential commodities. It is the public distribution system that is most affected by corruption, and the extent to which the collector is able to curb corruption, indicates his sincerity and strength. The DO can do little to increase the supply of essential commodities which depends on the allocations from the state government. But timely and correct reporting to the state headquarters and prompt and proper distribution of all that is available can ameliorate to a considerable extent the grievances of the people. There is a tendency among the DOs to depend on subordinate officers for performance of these functions which can be disastrous because mismanagement of the public distribution system affects the people directly. Only the DO can handle the vested interests who have a strong hold over the public distribution system. He should personally attend to all complaints regarding the public distribution system. Such vigil is necessary to keep the public distribution system responsive to the needs of the people.

Relationship with Superintendent of Police

In normal times, the superintendent of police looks after the law and order situation and the district magistrate's (DM) role is restricted to general supervision of the law and order situation.

People may come with complaints to the DM about the lapses of the police or about failures in bringing the criminal to book. He normally refers these complaints to superintendent of police, who is expected to look into these matters promptly. Similarly, the DM holds monthly reviews about the state of criminal administration in the district. Before separation of the judicial functions, he exercised control over the criminal administration through his sub-divisional officers. Now his control is only indirect and minimal. In times of emergency, however, when the law and order situation breaks down, the control of DM over the police force is closer. The police is directly concerned with the law and order situation and have to tackle the agitationists and law-breakers. The Police, since it is directly involved, may adopt a hostile attitude in tackling such situations or may adopt a soft approach in order to avoid confrontation and responsibility. The DM has, therefore, to take stock of the situation and supervise the preventive actions that are taken. What preventive action would be effective in any situation is a matter for judicious consideration. Too harsh and indiscriminate action may create an adverse public opinion and antagonise the people, whereas too mild action may encourage the agitationists and law-breakers to indulge in overt actions which may endanger peace. How a particular situation is to be handled is, therefore, a matter of careful assessment which is only borne out of experience and personal knowledge of varying conditions. A minor omission or error can have far-reaching adverse consequences.

Relationship with police has always been a delicate and sensitive matter. After Independence, the police has resented its subordinate role vis-a-vis the DM in managing the law and order affairs. Even the political bosses are too willing to accord independent status to the police officers. The result has been that in some of the states, the DOs no longer write their confidential report. The pay of police officers is only marginally less than IAS officers. The police officers enjoy more perquisites than their counterparts in any service. The superintendent of police is, in practice, the head of the criminal administration and the real commander of police force in the district. A practice has been evolved by which the DM and the superintendent of police submit joint report on incidents of police firing and other unfortunate matters affecting law and order. This is also done by the DC and DIG (Range) of police. The draft is prepared by the police and the DMs rarely disagree in substance. Such a procedure deprives the DM of his independent judgement and the police enjoys some sort of immunity. The police force has grown tremendously since Independence, its resources in manpower and materials are now awesome. It is not surprising, therefore, that

politicians too are wary of them. Police excesses are increasingly becoming a source of immense embarrassment to government. The superior police officers are unable to impose discipline. The DM is reduced to a mere spectator and often has to bear the brunt of lapses of the police. There are scathing attacks on the police in the legislature and, on most occasions, the government parries the problem by instituting enquiries. But there is no doubt that there is little control over the police. A device has to be built in the administrative system by which check and control over the indisciplined and corrupt police personnel could be exercised.)

Coordinator Between Different Technical Departments

The major role of the DO is as a coordinator between different development departments. He can act as a catalyst for development. His effectiveness in this role depends on what support he gets from the government itself. There is no compulsion or obligation for the executive engineers, public works department, rural engineering organisation, electricity, irrigation to consult or take direction from the DO. The role of DO as a coordinator, in the circumstances, depends on the incumbent's personality. Some DOs have been extremely successful in carrying the technical officers with them but some, on the other hand, fall out with the technical officers. It is necessary that the DO is an officer of sufficient maturity and experience to command respect of the technical officers. The DO in his relationship with technical officers is first among equals. He should, therefore, be very restrained and tactful in his relationship with technical officers who are generally sensitive in their dealings with the DO. The technical officers have the feeling that they stand to gain by their cooperation with the DO. There may be situations when young and inexperienced DOs have to deal with very senior and experienced technical heads. The DO is the highest functionary of the state government in the district and the effectiveness of the state government depends very much on the leadership and respect which the DO is able to command from his fellow officers. It is in this context that the government's policy regarding the choice and posting of DOs assumes importance. However, this sensitive issue does not get the attention it deserves.

SEPARATION OF DEVELOPMENT FUNCTIONS

With the object of implementing panchayati raj, people's representatives have been given more say in the execution of development programmes and the parallel office of deputy development commissioner (DDC) has been set up in the districts. The development, welfare and

planning functions of the collector were vested in the DDC and he was also made somewhat independent of the collector. The DDC, however, lacks the authority of the DO and does not command the same respect from the technical officers and others as the collector. It is for this reason that the collector has been made the chairman of the District Development Authority and DDC as its vice-chairman. It has already been mentioned that only a few development functions are directly under the control of DO. The principal role of the DO as a development officer is as a coordinator which he enjoys due to his unique position, a position that he enjoys not merely because of the authority vested in him but by the traditions of his office as well. After trying the scheme for some time, some of the state governments gave up the idea of having a parallel DO for development functions under popular control. In the State of Bihar, it was revived again in 1980 but two years later the IAS DDCs were withdrawn and replaced by senior deputy collectors. The prime reason for the tentative actions has been bureaucratic resistance to subordination of the DO to elected representatives. Subordination of the collector would have meant surrendering the idea of an all powerful, unattached DO cast in the mould of the British ICS days. But it was equally difficult to shelve the mounting pressure for democratic decentralisation and control of the executive functions at the district level. So a replica of the DO, the DDC was created and made subordinate to Adhyaksha, an elected representative of the people. The collectors have been jealous of this office and reluctant to part with their powers. The DDCs envy the authority and independence of collectors and also resent their complete subordination to elected representatives. The result of all this has been that the office of the DDC could not become an effective institution.

JUDICIAL FUNCTIONS OF THE DISTRICT MAGISTRATE

The judicial functions of the DO have been greatly reduced by the separation of judiciary from the executive. He still continues to hear appeals against the orders of SDO/deputy collector, land reforms, and other subordinate officers in respect of revenue, supply, arms and other miscellaneous matters under different special enactments. The urgency with which these cases are disposed off indicate the DO's keenness to resolve disputes. If a wrong is promptly corrected by the DO, when it is brought before him, he wins the confidence of the people. More than justice, it is the belief of the people that their grievances would be heard and looked into promptly that is important. Regular court sittings give satisfaction to the lawyers who constitute an influential gentry in almost all the

district towns.

By depriving the erstwhile sub-divisional magistrates of their judicial powers, especially the power to take cognizance and grant bail to offenders, SDOs have been reduced to mere executive officers. The power to grant bail and to take cognizance endowed the SDO with much authority. The SDO/sub-divisional magistrate was not only the executor and administrator of government policies, but also the officer who could punish offenders of law. This lent awe to the SDO's office and through the SDO to the DO and it facilitated the execution of government's policies. The chief judicial magistrate has now replaced the sub-divisional magistrate; the result is that the police no longer considers the executive magistrate as its patron. No wonder, the present SDO finds it very difficult to have control over law and order problems. In Indian conditions, where violence and crime abound and where people are not enlightened regarding their responsibilities, it is the fear of law and authority that has the correcting influence. The separation of judicial powers from the executive magistrates has very much weakened their effectiveness. It is not surprising, therefore, that recourse has to be taken to National Security Act and Crime Control Act in large number of cases by the DO. Too frequent application of such detention laws may lead to its misuse, and have demoralising effect on the society and fetter the freedom of the people.

RELATIONSHIP WITH THE PUBLIC, PRESS AND ELECTED REPRESENTATIVES

The DO, as the representative of the state government and as the chief executive officer at the district level, presides over all official functions. He is also invited to preside over social and cultural gatherings. These occasions afford an excellent opportunity to the DO to know the local institutions and come in contact with the local people. In all such gatherings, statements made by the DOs are of much significance. He is not a regular platform speaker; he speaks only on rare occasions. His statements are supposed to be responsible utterances and enable the people to read the mind of the district administration vis-a-vis the government. He has the opportunity to address the general public on the Independence/Republic day. He is extremely fortunate in having this opportunity because from this forum he is able to address the cross-section of the society. He can dwell on the local problems and explain to the people the efforts being made by the administration to remove people's difficulties as well as recall the achievements of the administration in the previous years. Generally, the DOs are shy of assembly and gatherings and hesitate to speak their mind openly with the result that these

functions become drab ceremonies with people's attention being focused merely on the rituals. He must try to make the best use of his public appearances in propagating government's programmes and in projecting his personal image. The DO, because of his executive powers and also because he is a non-political person, is in an enviable position. If he takes sufficient initiative and interest and shows sympathy for the people and takes the necessary pains, the people will give him cooperation in abundance. Some of the DOs have contributed a lot to their places of posting and are lovingly remembered for a long time. The DO indeed holds an enviable position. What he will achieve, however, depends on his character and personality.

The DO grants interviews to the people. This is a must if he wants to have first-hand knowledge of the people and their problems. It is not necessary for him to enter into long deliberations with the persons he meets. It is sufficient if he hears them and looks into their difficulties. Administration is generally so apathetic these days that the common man feels frustrated. Any action for redress of his grievances gives him solace.

The DO is expected to hold a press conference every month. This is another media by which he can allow the people to seek redress for their grievances. At the same time, it gives him an opportunity to give publicity to the activities of the district administration and also to correct misconceptions and misunderstandings. Friendly relationship with the Press can contribute greatly to the success of the DO. A favourite Press would highlight the DO's achievements and improve his image as well as that of the government with the public.

In pre-Independence days, the administration was criticised for being indifferent to public opinion. "It was strong in everything except the faculty of consulting the people". If a DO became very popular with the people, it was a matter of concern for the British Government as the DOs were expected to keep themselves aloof from the people. After Independence and transformation of the government into a welfare state, the DO has to be responsive to the needs of the people. He does not come in contact with many people. In each district, there are strong vested interests and these interests have also links with powerful persons in the capital. One of the major problems of parliamentary form of government is the lack of proper adjustment between the political and executive wings of the government. The elected representatives reflect the popular aspirations and public sentiments. It is the job of the administration to translate into reality the popular aspirations of the people. Lack of understanding of the role of each other leads to misunderstandings and irritants between the two. It is quite natural for the ministers

to expect that the DO must attend to them and carry out their wishes. Much of the work of politicians, however, relates to cases where justice has been denied or where red-tape has prevented disposal of long pending matters. The DO should have no hesitation in looking into these cases promptly. For after all the legislators are spokesmen of the people and they are responsible to the electorate. The legislators could be very good media for the DO to familiarise himself with the problems of the people. There are, however, cases where some unscrupulous politicians have pressurised the DO to obtain certain favours against the accepted norms. In such cases, the DO cannot avoid resisting the pressure. The politician, in his self-interest, is likely to take narrower view of things and be unmindful of administrative propriety. What should be the relationship between the elected representatives and the executive was aptly summed up by Sardar Patel as follows: "Do not quarrel with the instruments with which you want to work. It is a bad workman who quarrels with his instruments".

The DO's job is truly a tricky job. He is standing on a precipice all the time. His actions are under scrutiny, his conduct is under observation, he is expected to serve several masters at the same time and keep all of them in good humour. It is a stupendous job indeed, a challenge to his administrative and human abilities.

SELECTION OF DISTRICT OFFICER

Government should be very careful in selection of DOs. An officer should have acquired sufficient maturity of outlook and judgement and experience of the working of government departments before being posted in a district. There are obvious risks in posting young and inexperienced officers to districts, some of whom have been source of considerable embarrassment to government. There is also a tendency among such officers of over-dependence on their subordinate staff. The DO, being a generalist, does not have specialised knowledge of various fields on which he presides. He is a novice in most of the fields. The nature of the office is also such that he is not called upon to execute any programme directly. But he is certainly not a figure head. As the district head, he sets the trend. Naturally, the DO must be a person of strong common-sense, with a quick grasp of the essentials. He must be energetic, always alert and alive to the situation. He must have the necessary confidence in dealing with officers, who are both senior in age and specialists in their fields. Too much probing and interference may not only be irritating to his fellow officers, but may be counter-productive also. The DO is the kingpin of administration in the district and successful execution of

government's programmes depends to a large extent on the pace set by the DO. An officer, who is too rigid in outlook and theoretical in approach, would not be able to function in a world dominated by pressures. In administration, it is not the academic knowledge of problems that matters, but the intuitive ability to forestall situations and think ahead that matters. His dealings with people should be such that they are not antagonised. A good administrator must be able to distinguish the grain from the chaff. He cannot give attention to all the problems. He must concentrate on a few issues, seek solution to them and have an eye on quick results.

One is pained to observe that this office is being subjected to increasing political pressure. Politicians are in search of pliable officers rather than able officers. The choice of DOs is governed by considerations that are extraneous to the needs of the office. The result is that DOs selected on such considerations are not responsive to the needs of the people. They instead tend to be guided by the political bosses from the area. To make matters worse, due to unstable political conditions, there are frequent changes in the office. An able DO can leave his imprint only if he is given some discretion and allowed sufficient time to understand the problems and tackle them. He cannot give off his best if he is under threat of transfer all the time. This vulnerability of the office, in spite of its authority and power, cripples the initiative of the DO. Government should support its DOs so that they retain their initiative.

CONCLUDING REMARKS

Lately, there has been some curtailment of DOs' responsibilities in keeping with the ideals of democratic decentralisation. As already mentioned, he has been deprived of his important judicial functions and in some states the developmental functions have been taken away from him and vested in the DDC. In times of emergency, the need for an overall head is keenly felt. Who will fill this position in the absence of the collector? The office of the collector has a history and a tradition behind it. The people are familiar with the office. No body questions the jurisdiction of the collector, other functionaries are reluctant to act beyond their jurisdiction. Extreme reliance is placed by the government on collectors' report about the affairs of the district. In the absence of the collector, it would be difficult for the government to rely on any report when there are conflicting reports from different departments.

It has been often suggested that the DO should be the head of the law and order and revenue administration only, as he has no time to attend to development work. The protagonists of the office argue

that he does not perform any work directly. He is assisted in the discharge of his functions by experienced and knowledgeable officers. His job is to take work from his subordinate officers. He is a liaison officer between the state government and the district administration, and also acts as a coordinator between different departments. He is the officer to whom all can take their problems and difficulties. He is the man of the emergency, who will take on the responsibility where others cannot. It will be really a folly to scrap this institution or even bifurcate it, when it has withstood the test of time so well.

There are obvious advantages in a magistrate-executives performing the role of coordinator between different departments, especially in the undeveloped conditions in our country. It is argued that the criticism directed against the DOs is largely due to jealousies. Those, who are closely acquainted with the working of the DO, are aware that the need today is to impose discipline in the different departments of government and to activate them. Who else other than an all powerful DO can perform this work?

Accepting all that has been stated above in favour of the DO, it cannot be denied that a fresher from the university with hardly 5 to 10 years' experience of real life, with no previous knowledge of the district except only temporary stay in the district--the average period of a DO being only one-and-a-half years--can be entrusted with the complicated task of development. An autocratic DO during the British Raj, who took directions from above, served the needs of the time. The institution is certainly not adequate in the changed circumstances today. The picture of a young man of less than 35 years, enjoying autocratic powers lends glory to the person holding the office but is not conducive to promoting amicable feelings of participation and equal venture among different branches of administration. The DOs are directly responsible for land reforms, public distribution system, rural development programmes and yet the progress in these fields is no better than in other fields.

Why cannot the head of the executive at the district level be an elected representative? He is a man from the area, has deep knowledge of the local conditions and problems and has a lasting stake in the office and is accountable to the people who have chosen him. The bureaucratic DO is only a temporary incumbent, whose loyalties are more to the bosses at the capital. The DOs have given priority to programmes which have brought them quick popularity. There is no reason why we should doubt the efficacy of an elected district head, when we have opted for the same at the state and Union capitals. Our commitment to democratic ideals makes the office of a DO an anachronism. The existence of such an office has prevented the growth of

democratic institutions at the district level and below. The only argument, one can think of, against an elected district head is that it may introduce instability in administration. The fears are, however, exaggerated. The present-day DO, will assume the role of a chief executive officer. But he will be more than a chief executive officer as he is also the representative of the state government in the district. We could continue to have the benefit of his zeal and enthusiasm. Even now there is much of unwarranted political interference, on which there is little check.

The elected district head and the chief executive officer along with half-a-dozen non-officials and officials, including a few technical officers, could take on the role of decision-making at the district level. A single individual, howsoever competent, can act arbitrarily and be whimsical. This risk will be eliminated if his role is institutionalised as suggested above. This will give opportunity to talented persons in other services for greater participation, besides making the administration more accessible to the public because the presiding officer would be an elected head. This body could meet every fortnight to take decision on urgent and pressing problems. The day-to-day management of district officers would continue to be the responsibility of the chief executive officer. This change-over has to be effected to introduce strong unified control over different branches of administration rather than loose coordination as at present.

Role of Administrative Elites : A Reassessment

AHMED SHAFIQUH HUQUE

IN ADMINISTRATIVE organisations, functions are arranged in such a manner as can be supervised easily by officials at the higher levels. The principles of unity of command and coordination can best be applied when tasks are systematically assigned to different groups at various levels. The needs for coordination and control as well as uniform application of laws and policies to all regions in the country turn administrative organisations into centres of power. In societies, where the bureaucracy is a dominant institution, people who exercise influence in such bureaucratic centres can certainly be considered members of an elite group. A feeling of corporate identity develops and becomes strong among individuals with similar academic backgrounds, service patterns and interests, who have acquired considerable power as members of administrative agencies. These symptoms seem to be present in a good number of countries. The variations may be found only in the degree of corporate identity and the influence exercised by the public administrators at the higher levels.

The concept of elites is used to explain certain fundamental features of organised groups. Inequalities in performance, ability and positions lead to differences in authority, achievement and rewards. Elites are those minorities which are set apart from the rest of the society by their pre-eminence in one or more areas. Administrative organisations in modern societies are not free from this syndrome. Public administration networks cover a range almost as extensive as the society itself.

The large body of personnel engaged in the task of public administration may be divided in various ways according to the qualification required for each job, the nature of work to be done, the amount of power and influence stemming from the positions of individuals in the organisation. The existence of several levels of hierarchy and many specialised branches of public service result in situations similar to those in the society. Generally, the higher echelons of admini-

strative organisations are manned by individuals who have been recruited to the service on the basis of merit, have been in public service for a considerable length of time, and have reached positions where they can exercise a substantial amount of power and influence. They have developed into a group of administrators who have also been referred to as an administrative class or higher civil service. For the purpose of clarity, the terms 'elite' and 'class' are being used interchangeably in the rest of the article.

ADMINISTRATIVE ELITES

It is difficult to define administrative elites. Robert Dahl chose the British civil service to analyse the concept of an administrative class. According to Dahl, the system involves the acceptance of the hierarchical idea, a scholastic system that creates and favours the 'educated non-specialist' and a recruiting system that selects him, the acceptance of merit as the criterion of selection, and the existence of a condition that such a group possesses the prestige of an elite so that it can "compete against any other elite for the brains and abilities of the nation".¹ In most developing countries, high remunerations and benefits paid by multi-national corporations and international organisations often lure the best people in the job market. However, only a small percentage of the employables are accommodated in these jobs, and the majority still seeks employment with the government.

Bottomore has stated that in complex societies, high government officials form an important part of the 'governing elite', which is a minority that effectively rules a society. He emphasised the influence of higher civil servants in modern societies, resulting from the extension of state activities, the technical complexities of administration, and the organisation of the civil service as a professional career, based upon merit and training. Bottomore pointed out a number of features that distinguish the administrative elite from other types of elites. According to him, an administrative elite is a relatively small, well-defined, homogenous and cohesive group which is directly involved in the exercise of political power.²

John Armstrong stressed the roles performed by groups in 'a societal control centre'.³ He assumed that, at any given time, only a small group of individuals in a society exercise very disproportionately high authority in "social control and allocation of resources", and also referred to "processes (especially education) which differentially influence elite roles". Armstrong employed theories of role perception, class-role behaviour linkage and organisational modes to derive factors which influence the correlation between the

administrative elite and economic development as well as modernisation in France, Russia, Germany and Britain.

Bruce Heady examined the roles of civil servants as an administrative elite, since they are the "main group in any government whose primary concern is with the efficient administration of policy".⁴ He also referred to the "skills and general qualities appropriate to high-level administrators". Heady reviewed the challenge posed by advocates of civil service reforms that the present systems of recruitment, training and promotion of the civil servants do not allow them to be considered as administrative elite. In Germany and Britain, the traditional type of civil servant is criticised. Therefore, a body of men must be trained to whom the phrase 'administrative elite' can be applied not just as a plain description of their role in government, but to indicate that they possess relevant professional expertise.

R.S. Milne provided a list of five characteristics of a stereotype of an administrative class. According to him, a group of people at the top of the civil service concerned with the most important administrative functions, along with the holders of some lower positions, who, in course of time, will be promoted to the highest ranks, can be considered administrative elites. They are recruited directly from the universities within an age limit on the basis of general intellectual ability. They do not possess any specialised skill and may be moved around from one department to another in the course of their career.⁵ Milne included not only the group at the top of the civil service but also officials recruited at lower levels who are believed to be superior in some respects to the average standard of those recruited, and whose chances of rising to prominence in the civil service are above average. But since they have not attained positions of influence yet, I will categorise this group as 'potential elites' and concentrate on those who have already become elites.

On the basis of these discussions, a definition of an administrative elite can be drawn up which includes public officials at or near the top levels in the administrative civil service. They are members of a career civil service, recruited on the basis of merit on conclusion of their formal education. Through advancement within the service, they reach the levels where they play important roles in the societal system. The definition should also consider the influence and power wielded by these officials. A basic feature of administrative elites is their power and pre-eminence in the society.

ADMINISTRATIVE ELITES ACROSS SOCIETIES

Speculating on the existence of administrative elites in various

parts of the world is not an easy task. Administrative systems and personnel vary and so does the notion of people regarding the role of administrators in the society. The imperfect dichotomy of 'developed' and 'developing' countries renders the problem of analysis more complex. Countries vary widely even within these two categories. Instead of going into the details of all administrative systems, it will be rewarding to consider the features generally present across the countries. Generalisations can be attempted on the situations prevailing in developed and developing countries.

The growth of governments and the expansion of its administrative arm into a variety of fields have resulted in an unprecedented surge in the number of administrative agencies and personnel. Changes took place in the administrative organisations to ensure better and efficient management. Complexities in administrative issues called for increased involvement of specialists in policy-making as well as implementation. Political executives have started to delegate more and more authority and functions to the administrative personnel. The net effect is a substantial increase in the functions, jurisdiction and power of the public administrator.

The shift of more and more authority and responsibility to the public officials is a natural consequence of governments' efforts to deal with increasingly complex and new issues. Its impact on the role of administrative elites has been profound. Most of the scholars use the British model to identify and examine administrative elites. The characteristics of such an elite as examined by Dahl, Bottomore, Milne, and Heady have already been discussed. Dahl has pointed out differences between the British and the American administrative systems, particularly in the nature and career patterns of public officials. Heady drew attention to the incompatibility of the traditional type of civil servant in present-day administration. Milne has refuted much of the traditional views regarding the British administrative class and mentioned that although the British system had been taken as a stereotype of an administrative class, conditions have changed in Britain. He also stated that there are both advantages and disadvantages in the system of an administrative elite.

In order to establish claims that administrative elites can be found in certain countries, one has to examine specific systems. The civil service in the United States is quite different from that in Britain. Educational backgrounds, recruitment methods, advancement in the service and career patterns, relationship between specialists and generalists may all differ among countries which are categorised under the 'developed' label. Milne has pointed out that there is no administrative class (or its prototype) in either Australia or New Zealand, but neither "is there whole-hearted support for the expert

as against the administrator".⁶ Milne has, on the other hand, admitted that countries like India, Pakistan and Malaysia have groups which roughly correspond to the British group which was called the 'administrative class'.⁷ These facts make it difficult to draw clear-cut distinctions between 'developed' and 'developing' countries in discussions aimed at locating administrative elites in specific countries.

The structure and organisation of administrative institutions do not vary to a great extent between developed and developing countries. But the actual operations of such organisations do not correspond in countries belonging to the two types. Fred Riggs has brought out a number of features that distinguish administration in developing countries from that in the developed countries, and stressed the need for studying administration with reference to the environment in which it takes place.⁸ The nature of developing societies allows large gaps to appear between the intended and the actual work done in administration. Riggs demonstrated that laws are formulated and implemented in order to uphold the interest of dominant groups in 'poly-communal' societies. 'Rationality' gives way to 'rituals', and nepotism and corruption become regular features. These facts indicate that administrative agencies in the developing world are bastions of power with overt support from the dominant group as well as the political elite. It may be said that public officials in developing countries are able to exercise more influence on other groups than their counterparts in the developed world. The principles of political neutrality of civil servants (in most countries), responsibility to elected representatives, and various other checks to ensure fairness and impartiality in administration result in constraints on the powers exercised by public officials in developed countries. Theoretically, these checks exist in developing countries, too. In practice, they are not very effective.

Most of the characteristic features of an administrative elite can be present in any country. The principle of hierarchy remains a key element in organisations. Any group activity is inconceivable without a chain of command and coordination conducted from the top. But differences exist in the nature of personnel and recruitment procedures. The system in Britain may be described as 'closed', a forte of the 'educated non-specialist', recruited in their 'early twenties'. The officials move around in several departments, gain experience as generalists, and work their way up the hierarchical ladder to the top of the administrative civil service or the next higher level, performing important administrative functions in the system. The American system is more 'open'. Specialists are assigned to important administrative positions on the basis of their

expertise in particular areas. Merit is not the sole criterion for appointment to public offices, and patronage remains in practice. A different educational system produces graduates with a strong orientation towards practical fields. The highest levels of the public service is not composed exclusively of members of a career service. Thus, the concept of an administrative elite, as defined at the beginning of this article, is not conceivable in the American administrative system.

A study edited by Ridley made a survey of several developed countries which were more or less representative of different traditions.⁹ An examination of the administrative systems in the United States, France, Germany, Sweden and Australia revealed that none of these countries had anything equivalent of the British administrative class--"generalists in functions and generalists in background". Sometimes, post-entry training is used to impart a detailed knowledge of the field to which the administrator is assigned. The comparative study reiterates the arguments for studying countries individually rather than establishing a dichotomy between developed and developing, and looking for administrative elites in one group or the other. Yet it may be safe to conclude that the prototype of administrative elites are prevalent in some areas at present, although they existed in many countries, including Britain, at one time. With the advent of administrative reforms, many countries have been able to discard the traditional prototype of the British administrative class. Administrative reforms are seldom implemented fully in 'prismatic societies'.¹⁰ Bureaucratic self-interests are upheld and administrative reforms warded off by members of the public service because they may result in a reduction of the influence exercised by public officials.¹¹ Thus, the developing countries are more likely to retain a system facilitating the existence and continuation of elite groups in public administration.

DESIRABILITY OF ADMINISTRATIVE ELITES

The question concerning the desirability of administrative elites can not be answered easily. Desirability depends on the delivery of public policy as well as the maintenance of a system where the administrative elite does not loom as a threat over all other groups. A perfect equilibrium cannot be guaranteed, and therefore, concessions must be made in one or the other in passing a verdict on the desirability of administrative elites. As is evident from several studies, many developed countries no longer possess an equivalent of the British administrative class. The top echelons of the civil service are occupied by both specialists and generalists.

Administrative changes have been proposed and brought about in many countries, and accepted by the participating groups. The previous levels of efficiency were retained, and in some cases, enhanced, as is apparent from various indicators of better administration. The tasks were facilitated because of a highly responsive electorate, an efficient political executive, stable systems of government, and a relatively responsible bureaucracy.

The situation is different in developing countries. Low levels of development, mass illiteracy, weak political leadership and instability are chronic features of many developing countries. Military dictatorships provide the only possibility of stable rule without major upheavals. The period of rule by General Ayub Khan in Pakistan and Ferdinand Marcos in the Philippines may be cited as examples. Excepting India, very few developing countries have had any political leaders capable of matching the cohesiveness and efficiency of the army and the bureaucracy. Even with low levels of political and economic development, day-to-day administration must be carried on and administrative structures maintained. Administrative elites perform usual functions in system maintenance. Since no alternatives are available to these countries for taking over these functions, developing countries can continue to benefit from the services rendered by an administrative elite. The "absence of other powerful social forces to oppose and act as a counter-weight to the bureaucracy" may make this group too powerful, and that is a threat to democracy.¹² Some developing countries which rank closer to the 'developed' side of the spectrum may be able to introduce reforms gradually, and start the process of eliminating administrative elites.

CONCLUSION

Administrative elites can no longer be defined in specific terms and within fixed boundaries. The traditional British civil service, which represented the embodiment of all the vices and virtues of an administrative elite, does not exist any more. They are gradually being eliminated through the introduction of reform measures. Other countries, which followed the British model to establish an administrative class, have also changed. The developing countries, which 'mimed' the British model, had consequences peculiar to their own 'ecology' of administration.¹³ Therefore, it will be logical to consider public officials as elites on the basis of the functions they perform and the amount of power they exert in the process with respect to other leading groups in the society.

Due to innumerable bottlenecks in the way of administrative

reforms, most developing countries have yet to make transitions from the models which were initially adopted. Previous attempts at administrative reorganisations have not produced noticeable changes, and the impact of recent attempts is still to be seen. Developed countries have handled the problems of change better. Thus, the last vestiges of administrative elites are expected to be found mostly in developing countries.

Some useful functions are performed by administrative elites in developing countries. Unlike developed countries, where the powers are more or less evenly distributed among the groups in the society, in the developing world, it is heavily skewed in favour of the dominant groups. Administrative elites have the rare combination of relative efficiency, cohesiveness and power in developing countries, and it is their support which makes the difficult task of administering such countries possible for the ruling elite.

However, administrative elites are not desirable as they tend to close themselves off from the rest of the society and contribute toward the creation of an artificial barrier between the ruler and the ruled. But due to the absence of alternative means, they can be considered to be coordinators for the unstable systems. Judging from the trends in the field of public administration, it can be assumed that gradual reform attempts will continue to be made and dated elements, such as administrative elites, will ultimately be eliminated from the public services.

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Redesigning Performance Appraisal System: Experience of A State Government

V.S. SISODIA

PERFORMANCE APPRAISAL, an inescapable activity, has been one of the most maligned managerial tasks. It has also been a much discussed and studied topic, but the search for the 'right system' is still on. Particularly, in larger organisations, whether private or public, the concern for evolving a suitable system is in evidence.¹ This article reports almost three decades' effort at introducing change(s) in the system of appraising performance in a state government.

THE SETTING

Nearly 2.2 lakh employees work for this state government, which operates through 130 departments. The employees are spread over several revenue districts. The departments are engaged in providing various regulatory/developmental services, like education, medical and health, law and order, transport, social welfare, tourism, rural development, industries, etc. Its employees generally take up the government service as a life-time employment and retire after putting in 25-33 years of service, receiving 2 to 5 promotions during their service career. Until 1964-65, promotions were being given on the basis of seniority, but in 1965, the government decided that two-third promotion posts will be filled on the basis of merit and the remaining one-third on the basis of seniority.² This led to a large number of supersessions and consequent complaints/litigations regarding the system of assessing performance, commonly known as the Annual Confidential Report (ACR) system. The ACR system was trait-oriented and required a classification of an appraisee on 'A', 'B', 'C', 'D', and 'E' grades--'A' being the highest and 'E' the lowest point of the scale. This system was being followed by all the departments of the executive, including the secretariat. The judiciary and the Legislative Assembly were not obliged to follow it, but usually adopted the prevailing system. In one of the cases, the Supreme Court declared the 'confidential-circular', which guided the departmental promotion

committee(s), as ultra vires.³ The promotion system based on merit-cum-seniority and the consequent Supreme Court judgement created great turmoil in public services. It also paved the way for a series of changes in the system of appraising employees' performance.

CHRONOLOGY OF EVENTS

1955

The system of maintaining a confidential ephemeral roll, in which the immediate supervisor was expected to record all the critical incidents regarding his subordinates' performance, was given up primarily due to the pressure from the employees' unions.⁴ The traditional trait-oriented ACR system continued even without the informational support of the ephemeral roll.

1964-65

The system of 66.67 per cent promotion by merit and 33.33 per cent on the basis of seniority was introduced by changing the earlier system of 100 per cent promotions on the basis of seniority-cum-merit. As a consequence, large-scale supersessions took place.

1966

The Supreme Court declared that the confidential circular, which guided the departmental promotion committee(s) while recommending 66.67 per cent promotions on the basis of merit, was ultra-vires. The state government withdrew the confidential circular and left the promotion committees free to decide their *modus operandi*. Yet, despite the review, two-third promotions on the basis of merit, still continued.

1968

Due to pressure from the employees' union, the monthly report by O & M department on the work done by each clerical worker of the secretariat, giving numerical marks, was discontinued. Since these reports were being used for writing ACRs, it was not easy to get it expunged in the event of an adverse entry.

1969

A higher management seminar on 'Personnel Administration' was organised at the state's training institute, in which the system of appraising performance was discussed at length. As a follow up, a committee of senior secretaries to government and the director of the training institute, was appointed by the government to review the prevailing ACR system and propose a more objective/rational appraisal

system.

1970-71

The director of the above mentioned institute, assisted by a foreign consultant and one of the faculty members, worked for 4-5 months and submitted a proposal to the state government.

1971-72

The new Annual Performance Appraisal (APA) system was discussed by the director of the training institute with the chief secretary and various secretaries to government. The then chief secretary to the state government decided that the recommendations should be discussed by the committee of secretaries to government as well as employees' consultative council. The council opposed the move to introduce an annual performance appraisal form for class IV employees. The institute's director, who was the prime-mover of this new system, promptly agreed to drop this proposal.⁵ In the light of various discussions, the committee revised its report and the final version was considered by the secretaries' committee in January 1972.

1973 - May 1975

During this period, two chief ministers and two chief secretaries changed and the director of the state's training institute was promoted and posted as the home secretary. Although personnel department was not under his charge, yet he continued to pursue the recommendations at various levels. A detailed cabinet memo was submitted in March 1973, but the item remained under consideration for almost two years.

June 1975

Emergency was declared in the country. The prime minister wrote to all the chief ministers to revamp the administration by introducing administrative reforms.

July 1975

A high-level committee, headed by an influential politician--an ex-speaker, was appointed to suggest measures for revamping the administration. The home commissioner was also included as one of the members of this committee.⁶ This committee recommended to the government, adoption of the new system for performance appraisal, as suggested by the secretaries' sub-committee in 1972. The recommendations removed the provision of countersigning, which meant that in future the ministers would 'normally' not be able to give their comments on the APA reports of any officer below the rank of head of

department. Yet, the recommendations were promptly accepted by the cabinet.

1977-78

The Janata Government came to power, it changed the promotion formula to 50 per cent by merit and 50 per cent by seniority and decided to review the prevailing system of performance appraisal, which was introduced during 1975. An official committee, presided over by the then financial commissioner (FC), was appointed to study and recommend changes.⁷

1978-80

The Janata Government and along with it the FC was changed. The Financial Commissioners' Committee (FC committee) suggested that the APA system should adopt a simpler set of forms and almost revert to the age-old ACR system with minor modifications.

January 1981

The report of the FC committee was placed before the secretaries committee. The agenda for the committee was to be prepared by the same officer, who had worked on the APA system (along with the director of the training centre) during 1971 which was adopted in 1975. While drafting the agenda, he raised the following issue for decision: "Whether there was a need to bring greater result-orientation and objectivity into the APA system?"

The secretaries' committee almost took a decision to revert to the old ACR system by adopting the recommendations of the FC committee. Though most of the secretaries agreed with the then chief secretary, who himself wanted simpler performance for APA, yet somehow no final decision could be taken during this meeting.

February 1981

Meanwhile, the chief secretary changed. The new chief secretary had himself introduced a Key Result Area (KRA) oriented information system when he was registrar (cooperatives). He readily agreed to the suggestion of the deputy secretary (administrative reforms) that instead of the trait-oriented ACRs, a KRA-oriented APA system would be better. The APA system again came up for discussion in the secretaries' committee. The majority of the secretaries again agreed with the (new) chief secretary when he suggested that, instead of reverting to the old-trait oriented ACR system, a more result oriented APA system should be adopted.⁸ A small committee headed by the then development commissioner was appointed to go into the merits of the prevailing and the proposed system (given in FC committee report) and

submit its report.

1981-82

While providing support to the new review committee, the deputy secretary, (administrative reforms) organised a series of workshops for assisting a majority of the 130 heads of departments to clarify their departmental objectives and structures, write job descriptions and identify the KRAs for each position. There was reluctance and avoidance on the part of most of the heads of departments. However, for about 60 departments, very elaborate job-descriptions and KRAs for most positions were developed. However, for some of the staff positions, KRAs could not be written.

February/March 1983

The state government invited a well-known consultant in the field of MBO and sought his advice on the project. He suggested that instead of taking up all the 130 departments, all at a time, the new system may be introduced in selected departments because, more than the change in the format, the actual process of developing the agreed KRAs and the process of performance review was important. In fact, there was a need for changing the organisational climate in these departments by replacing the input-orientation with result-orientation. Moreover, a continuous dialogue between the senior and his subordinates should commence for clarifying mutual expectations, roles, goals and the review of performance should be made against the mutually-agreed targets.

March/September 1983

Meanwhile, the development commissioner was transferred out of the state and the revenue secretary was appointed as chairman of the review committee. The committee finalised a format for the middle-level executives and gave directions to the Administrative Reforms Department to develop formats for the other seven levels.

October/November 1983

The deputy secretary (administrative reforms), prepared the suggested formats and submitted these to the chairman of the review committee.

December 1983

The deputy secretary, who was involved in the earlier change and was pushing for introduction of the new proposals, was transferred and; after a few months, the chief secretary was also transferred. The chairman of the review committee became the new chief secretary.

The review committee, somehow, has still not been able to finalise its recommendations, although work on this change has been going on for the past four years.

FIVE DIFFERENT SYSTEMS

Over a period of almost 30 years, a good deal of effort has gone in pushing the appraisal process through five different systems. For a comparison of these systems, both their contrasting features and common characteristics could be highlighted.

Trait-Oriented Annual Confidential Report System

1. One form for all the state and subordinate services, irrespective of the level, and another form for the ministerial services, were in vogue.
2. Rating was done on 'A', 'B', 'C', 'D' and 'E' grades where 'A' stood for 'Outstanding' and 'E' for 'Poor'.
3. No reporting was done on actual job-performance.
4. No recommendations were given on training or placement.
5. Very often, due to the supervisors' language, controversies arose as to which remark should be considered adverse.
6. Only the gazetted officers⁹ were expected to initiate ACRs and all supervisory officers above the reporting officer were expected to comment on the ACR. As their span of control was large, the workload of reporting and reviewing officer became unmanageable, leading to delays and casualness in reporting/reviewing.
7. Writing according to 'A', 'B', 'C', 'D', and 'E' grades was rather simple, therefore, the reporting officers found it very easy to appraise.
8. Overall rating was to be given by writing words like 'Outstanding', 'Very Good', 'Good', 'Satisfactory' or 'Poor'.
9. In the event of receiving adverse entries, the appraisee would make all-out efforts and usually succeeded in getting them expunged on one ground or another, particularly, because the remarks were not based on any concrete data nor were they being communicated to the employee during the year of report in writing.
10. Expressions like, 'he works hardly' (instead of hard), and 'outstanding leadership; except for his lack of ability to get along with his subordinates', etc., were frequently found in the ACRs and most of the employees suffered due to the poor knowledge of the language of their bosses.
11. Employees' association demanded that the ACR system should be

scrapped.

An Experiment at Micro-Level

An experiment was carried out by the collector of a district, which has relevance to the appraisal system. During his stay in the district, the collector made it very clear to his immediate subordinates that for writing their ACRs, the following procedure shall be followed:

1. The annual plan and various targets to be achieved during the year shall be clarified in a meeting and the subordinates will be required to work out their monthly action-plans.
2. The progress of the work done during the month shall be communicated to the collector by each one of his subordinates; at least, three days before the next monthly meeting. The collector would carefully study the progress made and during the meeting give his feedback to the concerned officer. The problems faced by the officer as well as the support required by him would also be discussed.
3. The officers would be free to meet the collector individually, if they had something to discuss in confidence. Along with the positive and negative feedbacks about an officer's performance during the month, the collector would follow it up promptly with a monthly demi-official letter to each officer, giving a gist of expectations and the actual performance.
4. Thus, the collector would receive and send at least 12 demi-official letters in a year to each of his subordinates, which shall be utilised as the objective data about the performance of each officer against the set targets. Thus, each month, each officer would know how he was doing. Bad performers would also know that they are going to get a bad entry in the standard ACR form, unless they improve their performance in future.
5. This led to greater result-orientation, greater objectivity and became more or less like an open appraisal system, with little chance of getting any adverse entries expunged.

The Annual Performance Appraisal System

1. During 1975, not only the nomenclature of the system for ACR was changed to APA for highlighting the assessment of 'performance', but its basic purpose(s) and character also underwent a change.
2. The purpose of writing the annual appraisal was now made more extensive. Besides creating a basis for taking administrative

decisions, APA was also expected to change the senior-subordinate relationship as the supervisor was now expected to ensure that his subordinate develops and performs even better in future.

3. Instead of two existing forms, eight new bilingual forms were introduced for different hierarchical levels, clubbing the 33 prevailing pay scales in eight categories, viz., top executive, senior executive, junior executive, section officers/superintendents, ministerial staff, personal assistants/stenographers, junior technical staff, and lower staff. Each of these eight forms highlighted the job-related behavioural characteristics and performance indices. Each factor was to be measured on a four-point scale. For ensuring uniformity of standard and avoiding varied interpretations based on supervisor's facility with language, definitions for each point against every factor were provided as shown in Table. The definitions were meant to ensure uniformity about the precise intent and the meaning of factors on the scale points. The four-point scale was considered more meaningful than the finer five-point scale, which was in vogue. The immediate supervisor was expected to indicate his subordinate's assessment by check-marking in the appropriate box on the four-point scale, against each factor. The check-marking, being easier, was adopted for avoiding non-reporting. However, two dysfunctional practices have been noticed. At times, cases of double check-marking and changing the inner sheets have also been detected.
4. Each form was divided into five parts, space was provided in Part I of these forms which was common for all the categories for specifying the prescribed norms. The appraisee was expected to indicate his performance against these norms and also make his self-appraisal. Somehow, no attempt was made for fixing norms for most of the jobs. Only the age-old norm for tours, night halts inspections and disposal of papers under consideration, etc., were in vogue. Typically, the appraisee would write - "no norms fixed; did as the supervisor asked me to do and to his entire satisfaction". In the absence of any detailed information system, the supervisors generally commented: "I agree with the self-appraisal", and thus the great innovation of self-appraisal which was meant to protect the appraisee from subjective appraisal by his boss was brought to a naught.
5. Part II of these forms was meant to appraise the personality of the appraisee. In part III, the immediate supervisor was

Table DEFINITIONS OF TERMS USED IN FOUR-POINT SCALE FOR
EVALUATION OF PERSONALITY AND PERFORMANCE IN THE APA

Factors	Scale of Evaluation			
	Outstanding	Above Average	Average	Below Average
A. Personality				
Intelligence				
Ability to understand and handle new difficult matters	Exceptionally proficient in understanding new and complex matters and finding solution of difficult problems promptly	Able to handle new and difficult matters	Takes some time and requires help in fully grasping new and difficult situations	Comprehension of problems and performance poor, even if proper instructions are given
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
B. Performance				
Output				
Considerable achievement of targets and norms fixed	Productivity outstanding, exceeds targets, highly performance-oriented	Accomplishes great deal of work and meets targets and expectations	Output is satisfactory usually meets targets if serious obstacles do not intervene	Rarely meets targets, lacks consciousness about performance resulting in inadequate output
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

expected to assess his subordinate's actual-job behaviour and performance against various factors like: output; job-knowledge; cost-consciousness; organisation and control of work; quality of work and dependability; oral and written communication skills; relations with colleagues, citizens and their representatives; etc. While making the overall assessment, specific instances were to be quoted if the performance was being rated as outstanding. The immediate supervisor was also expected to comment on any health problems, disciplinary action, counselling given for any below average performance, training required, suitability for any other type of posting and appraisee's attitude towards weaker sections.

6. Part IV of these forms was meant for comments by the reviewing authority on the report given by the immediate supervisor, with special reference to any outstanding work done by the appraisee. Comments on the fitness for promotion of the appraisee in his turn or out of turn were also to be given by the reviewing authority.

Part V was meant for any comments to be made by a person other than the reporting and reviewing officers. For this, although some space was provided in these forms, but, ordinarily, no person other than the reporting and the reviewing officer was expected to make any observation on the APA report as the countersigning function was given up. This was one of the major departures from the earlier practice. One of the reasons for delay in accepting the new proposal was reluctance at the senior level to accept this change. However, no changes in the levels of initiating/reviewing officers were suggested. Consequently, these officers cannot do real justice to a large number of reports, which they are still made to initiate and review, particularly, when the old two-page format has been replaced by a much elaborate form. At most of the informal gatherings, senior officers still tend to ridicule the system of check (✓) marking and the bulkiness of the APA forms.

7. Separate space for recommending training and future placements was provided in these forms. Somehow, these recommendations have remained vague; the appraisee could also suggest some training for himself in his self-appraisal, but hardly any one did it. On the contrary, the appraisee would consider any suggestion for training him as an adverse comment on his performance, although observations requiring improvement and job-performance and indicating need for training were not to be considered as adverse remarks. The recommendations

regarding training were expected to be communicated by the reviewing officer to the director (training), but almost nobody sent these recommendations, which ultimately got consigned in the confidential section and training programmes could not be tailor-made to suit the felt-needs.

8. The new APA system envisaged that the reporting officer would continuously guide his subordinate, counsel him, pointing out his deficiencies, in the performance of his duties. Adverse remarks were to be entered in the APA only when the appraisee persistently fails to show any improvement. The reporting officer, was, therefore, expected to indicate the efforts made by him at improving the below-average performance of his subordinate, during the year. Due to this rider, more and more supervisors stopped giving any below-average entries. All below-average entries and comments about any lack of integrity were to be construed as adverse remarks. All such remarks were to be first discussed carefully in a meeting between the reporting and the reviewing officer, and only when it was finally decided to give such adverse remarks, the reviewing officer was expected to make the entries and communicate them to the appraisee. A communication from his boss's boss was expected to have the corrective impact. The appraisee was free to represent his case to the reviewing officer. The reviewing officer, after hearing the appraisee, could expunge these remarks. In case he was not satisfied, then the appraisee had the right to approach an appeal committee in which the reporting and reviewing officers were not represented. However, as most of the reviewing officers did not own up their added responsibility¹⁰, the adverse entries still continue to be communicated by the personnel department and are usually delayed. Besides, their impact is always dysfunctional.
9. The APA system provided for a very tight schedule for filling the APA report, communicating the adverse entries, processing the representation, etc. However, this schedule is hardly being followed. The committee also recommended a widespread training for inculcating new ideas and the spirit, but at best, only one lecture on APA system and that too, in long-term training programmes, is being imparted. Consequently, the writing of APA continues to remain an unwanted chore.

Proposed Formats Highlighting Departmental Characteristics: 1980 (The FC Committee)

1. Instead of the prevailing forms of 11-12 pages, the committee

suggested simple, two-page, unilingual formats highlighting job-related behaviour and characteristics. The set of eight forms was to be replaced by a set of 16 forms as separate forms were prepared for the medical, engineering and education departments and for the remaining departments one common format was suggested. Limited space for self-appraisal was provided, but detailed norms were still not spelt out.

2. Rating on a five instead of the four-point scale was proposed. Definition of each point was not to be given in the formats but was to be appended along with the instructions, for keeping the forms sleek.
3. Space was provided in the formats for recommending future training and placement. These recommendations, however, were impractical, because as in the past, the forms were to be consigned to the confidential section.
4. No changes in the level of the initiating/reviewing officer, etc., were recommended.
5. Since there were to be only two pages, the problems of changing the middle sheets with malafide intentions would not arise.

Proposal for Introducing a More Result-oriented Appraisal System

1. The proposal recommends that the APA should also be used for identifying training needs, career planning and motivation of employees, besides using it as an information base for administrative decisions, like confirmation, promotion and termination before retirement.
2. The format is divided in two parts. Detailed instructions for filling these forms will be appended. Part I is for recording self-appraisal against the prescribed standards for selected KRAs. The actual achievement against each KRA is to be reported by the appraisee, and the reporting officer is expected to give his comments against each item. Limited space is provided for giving a brief narrative about his performance, training and qualifications acquired during the year as well as for preferred field of specialisation and any health problems which militated against the effective discharge of his duties. The reporting and reviewing officers are expected to comment on these. Part I of the form is to remain open and available to the head of the office/department for future manpower development.

Part II of the form would still be confidential. The reporting officer is expected to appraise his subordinate against various factors, like work-performance, intelligence, judge

ment, initiative, knowledge, communication, work behaviour, human relations, leadership and supervisory ability, etc., on a five-point scale. The first item on work performance has to be filled on the basis of the entries in Part I. Since for each post, in each department, different KRAs are to be set, each form becomes tailor-made for the concerned position, because Part II of the APA form focuses on the various factors which are important for different hierarchical levels in the organisation and Part I would spell out the typical, professional and departmental requirements of the job as per the pre-set KRAs. Basing the assessment of the performance against pre-determined targets for each KRA is expected to improve the quality of employees' motivation, as a quarterly review of the performance is expected to be made. Thus, appraisal process would turn out to be part of the management process. The assessment is also expected to become more objective and data-based.

3. The rating is to be done on a five-point scale. In Part II, the definition of each factor will be provided.
4. The recommendation for training and placement is to be given by the reporting and reviewing officer in Part I, which will be open and remain with the head of office/head of department or personnel department, for future action.
5. In view of the past experience, the appraisee will not be required to recommend any training for himself.
6. The burden of communicating the KRAs has been placed on the immediate supervisor. Therefore, in all cases of mid-year transfers, the immediate supervisor is expected to explain the expected results against each KRA to his subordinate and undertake quarterly reviews. Thus, for all postings which are for more than three months, new APAs will have to be drawn against each KRA.
7. It is recommended that only the immediate supervisor should initiate the APA reports, irrespective of the fact whether he is gazetted or non-gazetted; only the reviewing officer will have to be a gazetted officer. This would lead to better supervision and control, reduce the burden of writing a large number of reports on the reporting/reviewing officers, and thus, improve the quality of reporting and reviewing.
8. Instead of check-marking(✓) in each box, it is proposed that the reporting officer could put his initials in these boxes as an indication of his rating.
9. For overall assessment, the rating is to be done on a five-point scale. This would facilitate comparison, while making

recommendations for promotion.

10. It is envisaged that separate space would be provided for entering advisory remarks, which need not be construed as adverse, but should be communicated for the growth of the appraisee.

COMMON CHARACTERISTICS OF THE FIVE SYSTEMS

1. The primary purpose(s) of these reports in all the five systems tend to be a data-base for making promotion, placement and retirement decisions.
2. All the five systems provide for a subjective assessment of subordinate's personal traits by his immediate supervisor.
3. Subordinates and the supervisors, both view the annual report as a coercive tool for control.
4. Provision has been made for making an overall assessment of the subordinates' performance. The 'halo effect' seems to be determining the pattern of reporting. Usually, the supervisors tend to mentally classify the subordinate at a particular point of the rating-scale and then make their detailed assessments on different factors, so as to justify their earlier 'overall view'.
5. In all the five systems, the rater's bias tend to be present. Besides, no attempt to classify the raters into strict, moderate and liberal categories has been made.
6. In none of these five systems, attempts have been made to provide differential weights to different factors against which the assessment is made.
7. Delays in communicating the adverse comments have also been a common feature and no changes have been proposed in the new system, which could cut this delay.
8. Except in the micro-level experiment, supervisors develop a tendency to postpone the writing of the report and avoid writing any adverse comments, lest they are asked to give an explanation, defending their entries. Chances are that even in the proposed system, these two problems would continue to exist.
9. In all the systems, the in-built mechanism of appeal has been provided to ensure that in case of abuse of power by the appraiser, the appraisee gets a redressal.
10. None of the systems provide for a systematic and regular scrutiny of the reports for determining the quality of the appraisal for ascertaining whether the system is operating as

intended and whether the desired objectives are being achieved?

THE PROCESS OF CHANGE

Each of the aforementioned five systems could have been further refined and made more sophisticated in view of the research findings and the experiences of various organisations in India and abroad. In fact, as Lawler maintained, performance appraisal in any organisation is only as good as its overall human resource climate, strategy and policies--especially its processes of fitting it to these.¹¹ However, it would not be out of place, if we examine the manner in which attempts have been made at introducing changes in a large and complex organisation. The following need to be considered carefully:

- (i) Changing the age-old policy of 100 per cent promotions on the basis of seniority and converting it to two-third promotions on the basis of merit and one-third on the basis of seniority was a Herculean task. But, apparently, introducing this change became easy as the then chief minister became personally interested in bringing about this change. However, one wonders whether it was also possible to introduce at the same time greater objectivity in the system of appraising performance. If so, how?
- (ii) The employees' union systematically opposed the ephemeral rolls, O & M's monthly report and an attempt at introducing an APA proforma for class IV employees. They succeeded in making the supervisors less 'powerful'. In the absence of any authentic and regular record, no adverse entries could stand and despite the 10 per cent promotion quota, the immediate supervisor cannot have any say in the promotion of class IV servants.
For a change-agent, 'is discretion better part of valour?' as the director (training) seemed to have believed or should the change-agent stick to his gun attempting to push through, the 'appropriate changes', slowly and assiduously?
- (iii) In a large system, like the state government, far too many persons are involved in the process of decision-making, particularly if the decision pertains to introducing change(s) in the existing systems/procedures. This naturally causes delay and uncertainty. However, even in such situations, the chief executive can play a useful role in 'moulding' the views of the decision-makers and facilitating the change. In the context of the changes in administration,

which the ruling party has vowed to bring about, the selection of the chief executive assumes much greater significance.

- (iv) Even when there is an awareness of the need for change and the decision-makers are willing to implement it, the following three problems constantly work against the introduction of the change:
 - (a) The long-drawn decision-making process, involving several levels/persons;
 - (b) Frequent transfers of the key personnel, who are involved in the change process; and
 - (c) The short-term day-to-day activities/matters taking priority over the long-term policy/system improvement issues, which tend to be relegated to the background till such time when important matters also become urgent.

In this case, had the prime-mover of the change and the then chief minister not taken a 'keen interest' in introducing the new APA system and had the letter from Prime Minister's Secretariat not arrived, the change process might still be lingering on, as has been the case with the 'pending proposal'. A project team with a time-bound change programme, which would create a sense of urgency, coupled with the generation of some external pressure and direct access to the power, the Centre could facilitate the change process, even in large and complex systems.

- (v) When the change from the ACR system to the APA system was attempted, the director (training) involved the political system through the chief minister. The threat to the proximate system's power was also reduced by providing opportunities to the employees and the secretaries to Government to discuss the various dimensions of the change and raise questions from time to time,¹² still the change does not seem to have been internalised, because no effort was made to affect any changes in the overall culture of the state government which is overwhelmingly influenced by theory 'X' assumptions. A series of studies at General Electric Corporation have proved that APA system is more likely to be effective when the jobs are clearly defined and an environment of high trust prevails.¹³ The pending proposals for changing the APA system seem to have attempted a write-up on the job-descriptions and the identification of the KRAs. However, despite a series of workshops, the actual incumbents and their immediate supervisors have still not been involved in this process of

clarifying appraisee's major areas of responsibility or the identification of the KRAs. Any attempt at imposing these KRAs from above, could even boomerang.

A better strategy for introducing this change could be to start a process of cultural change through a series of training programmes till such time when a senior-subordinate dialogue could commence in a climate of mutual trust, agreed KRAs are identified and an employee development plan is prepared. But how can result-orientation, open communication and mutual trust be developed in a large and complex system, where the senior-subordinate relationships may not even last for one year and the senior is expected to show results during his short tenure? Apparently, an experiment at the micro-level succeeded in bringing greater objectivity in the APA system, but it died no sooner the collector was transferred. How could his style of managing and appraising be institutionalised?

THE EPILOGUE

There could be many more issues, which need to be clarified and appropriate change strategies have to be developed. We may not have all the answers. But some method has to be found for introducing changes in large complex systems. The following lessons from this case may give us some directions:

- (i) Making the decision-maker(s) personally interested, will facilitate the change.
- (ii) External pressures quicken the pace of change.
- (iii) The chief executive (in this case the chief secretary) can use his position/power to give an appropriate direction for introducing change in systems.
- (iv) The image and rapport of the change-agent facilitates the change.
- (v) Committed staff people could act as catalytic agents for the change.
- (vi) Changes and change efforts, particularly those which increase workload/responsibility, have a tendency to slide down to the original status, unless continuous reinforcement is provided to institutionalise them.
- (vii) For introducing changes, like in the APA system which tend to affect everybody, enough effort should be expended for changing the age-old attitudes, otherwise only the form may change and it may turn out to be merely 'old wine in a new bottle'.

REFERENCES

1. See, e.g., the survey conducted by David L. Devres, et al., *Performance Appraisal on the Line*, New York, John Wiley, 1981, and T.V. Rao, and Udai Pareek, *Performance Appraisal and Review*, New Delhi, Learning Systems, 1979. Various public sector corporations, private companies and governments have been attempting to improve their prevailing system of appraisal. The efforts made at BHEL, the State Bank of India and ITC are particularly significant.
2. A close relative of the then chief minister, who worked for the state government, was one of the first few beneficiaries of the new system of promotion on the basis of merit. This young relative was quite efficient and a likable person. However, he could not have been promoted, but for change in the promotion policy.
3. In this case, the state government and the relative of the chief minister were also made a party.
4. Employees nick-named the ephemeral roll as the 'Black-Register', because supervisors generally recorded negative incidents only.
5. Later on, during discussions, the director explained that he did not want the whole set of recommendations to be stalled merely because of opposition from class IV servants on a part of the proposal. Although there is a 10 per cent quota for class IV employees for promotion to the ministerial services, this quota is being filled on the basis of seniority plus a high school certificate.
6. The home commissioner was considered to be a forward looking and change-oriented administrator. The chief minister knew about his abilities and respected him.
7. The financial commissioner was known to be a committed civil servant. He had somehow suffered during Emergency, but enjoyed great power under the Janata Government.
8. It is interesting to note that the majority of the secretaries agreed with the earlier chief secretary, who was inclined to introduce a simpler ACR system and the very next month the same group also agreed with the new chief secretary when he suggested a KRA-oriented APA system. It shows the extent to which the office of the chief secretary can influence crucial decisions for introducing system-changes in state administrations.
9. Gazetted officers used to be those whose appointment was published in the state gazette. The classification still continues, without much meaning, except that the gazetted officers are also empowered to attest certain documents.
10. Very often, it has been noticed that changes in any system which tend to increase the workload are not internalised.
11. E.E. Lawler; et al., "Performance Appraisal Revisited", *Organizational Dynamics*, September 1984, p. 35.
12. For a detailed exposition on the involvement of the political and proximate systems for introducing change, see Udai Pareek, "Introducing Change in Bureaucracy: A Framework", in S. Chattopadhyay and Udai Pareek (eds.), *Managing Organizational Change*, New Delhi, Oxford & IBH, 1982, pp. 253-57.
13. Lawler, op. cit., pp. 31-33.

Redressal of Public Grievances

R. NARAYANASWAMI

WITH THE increase in government's role in improving the quality of life of its people, need for having an efficient system for redressal of public grievances also grows in each public administration system. In fact, with the arousal of expectations of the people in the wake of developmental efforts coupled with distributive justice, the pressure for devising innovative methods and procedures in this regard has ever been growing. It is, perhaps, in recognition of this fact that the present government in the Centre has chosen to keep this subject under the charge of the prime minister himself.

Keeping in view the importance of the subject, experience gathered in a unit of Central Ministry and Delhi Development Authority in this regard, alongwith some ideas for operationalisation at the district, sub-division and tehsil levels are being presented in the following sections.

PUBLIC HEARING SYSTEM IN EMIGRATION DIVISION OF MINISTRY OF LABOUR

Members of the public, desiring to contact officials in the Emigration Division (ED), usually have work in connection with registration of recruiting agencies, issue of permits to Indian project exporters to recruit labour, and by individuals either intending to emigrate or those who have returned after contractual employment abroad. With the introduction of the Emigration Act, 1983, with effect from December 30, 1983, nearly 1500 applications for registration of recruiting agencies were received by the ED within a few weeks. This resulted in large number of persons visiting the ED daily, gaining access to the sections, as also the supervisory officers, in an unregulated manner, as processing of applications was still to be systematised.

To cope with this problem, initially senior officials like the Joint Secretary (JS)/Protector General of Emigrants (PGE) and Deputy

Secretary (DS) concerned took upon themselves the responsibility of personally scrutinising these applications without any section level processing. In this manner, within a month, most of the applications had been scrutinised and a communication issued to the applying party, either calling for clarifications or for remedy of shortcomings noticed.

Similarly, with regard to emigration clearance cases pending in the ministry, either in respect of project exporters seeking permits or recruiting agents against whom there were complaints, a system of a weekly review meeting at the level of JS/PGE every Thursday was introduced. In this manner, the reasons for delay as also the manner in which the processing could be expedited was discussed. This approach had a positive effect gradually.

However, the unrestricted access to the sections of the ED was found to be undesirable both from the point of view of bringing about a clean administration, as also ensuring that the officials of the division could go about their official business without being disturbed at their tables. To tackle this problem, it was decided with the approval of Secretary, Ministry of Labour, that the JS/PGEs and DS in the ED will hold a public hearing for two hours every Monday, Wednesday and Friday with effect from July 2, 1984. This practice has been regularly followed for nearly seven months now, with very positive results. This public hearing system is held opposite the reception office in Shram Shakti Bhavan, New Delhi, thereby obviating the need for a petitioner to obtain a pass from the Reception Officer (RO). In this manner, the exercise of discretion by the RO as to whether or not a member of the public should be allowed to enter the building has been eliminated by enhancing the accessibility of both the JS/PGEs and DS concerned, on a regular basis, three times every week.

Every petitioner is required to fill in a form on which details of name/company, address and reasons in brief for approaching the officers conducting the hearings, are mentioned. This serves as a record for the office. Also, each public hearing sheet duly filled in, is given a serial number on first-come-first-served basis. The petitioners, no matter how lowly or prosperous they may appear to be, are attended to only when their turn comes. Arrangements have been made near the reception office to seat these petitioners, and at the table of JS/PGEs an auto-telephone has been installed. Petitioners coming for the public hearing range from applicants for recruiting agencies inquiring about their files, project exporters inquiring about their applications, individual emigrants wanting to go abroad seeking advice, prospective applicants for registration as recruiting agencies, seeking guidance on how to apply, and so on. Whenever the

inquiries concern applications/cases which have already been submitted to the ED, the DS immediately rings up the section concerned from the public hearing table and seeks to know the position of the file. In a number of cases, the file itself is called for a quick examination at the public hearing table. On the basis of such enquiry, the petitioner is told to come at 5.30 p.m. the same day for collecting the relevant letter or certificate, etc., from the Ministry and given an entry slip for this purpose, which on presentation at the reception counter facilitates the petitioner's coming to the DS's room. The system enables most petitioners to proceed further in their cases by at least one step, because follow up is ensured the same evening. In a few cases, where some more examination is required, the petitioner is given a slip 'come again at 5.30 p.m. the following evening'. Thus, as the experience shows, before the next public hearing, which is 48 hours later, in about 80 per cent of the cases follow up action is taken within 24 hours. There are, as may be expected, hard cases which cannot be thus disposed of. These may concern complaints by returning emigrants about grievances relating to termination of their services by the foreign employer, underpayment of wages, delayed payment of compensation in cases of death or disability to next of kin, etc. In such cases, it is necessary to refer the matter to the concerned Indian Mission, who in turn, have to contact both the foreign employer as also the local government and this process can take sometime before partial or complete redressal of grievances could be achieved. Similarly, cases involving cheating of would-be emigrants by unauthorised agents involve investigation by the police, which can take time. To the extent feasible, steps have been taken to educate intending emigrants on the pit-falls they should avoid through publicity on radio, newspapers and other media.

To sum up, the experience gained in conducting the public hearing system in Shram Shakti Bhavan has highlighted the following very simple concepts:

- (i) Effectiveness in redressal of grievances depends upon accessibility of sufficiently senior functionaries who can actually take a decision one way or the other on a matter brought before them at the public hearing.
- (ii) In ED, such follow-up is ensured by acting on the petition/application received in the public hearing either by the same evening or by the following evening in over 80 per cent of the cases.

It is this dual combination of accessibility and effective follow-up which has contributed to public confidence in the system. The

arrangement has now been institutionalised because it has been in continued existence for several months. Thus, for three days every week, i.e., in effect for at least six hours every week both JS/PGE, and DS in the ED are available at the reception. Since all discussions are held in the presence of all the members of the public, who have come to the public hearing, there is an element of openness about the system so that confidence is inspired on the point that nothing irregular is taking place.

It would not be inappropriate to mention at this juncture that the public hearing system did not find ready acceptance among the sectional staff in the division, and even amongst some officers of under secretary level because it resulted in the following difficulties for them:

- (i) Their own powers of patronage were eliminated.
- (ii) The public hearing system resulted in a check. Independent of the information on pendancies furnished by the sections for the review meetings. Many files which had not been attended to for sometime were unearthed because the concerned applicant/petitioner appeared at the public hearing resulting in an independent scrutiny of hitherto dormant files.
- (iii) It also compelled the sectional staff to meet the time limit imposed during the public hearing for giving a reply to the petitioner, i.e., either by 5.30 p.m. the same evening or by 5.30 p.m. the following evening. However, after seven months, the system has found acceptance, even if grudgingly. It has had a salutary effect in that access to the sections by the members of the public has been almost completely eliminated, and further, both the sectional staff and the under secretaries are able to devote more time without being disturbed at odd hours. Also, the highly disagreeable practice of members of the public literally accompanying their files from desk to desk and from level to level has been eliminated. Since files are in any case moved at a considerably faster pace, and accessibility of senior officers regularly ensured, there is no need for the interested party to make his undesirable presence felt inside the ministry premises.

Impressed by the efficacy of these measures, the Secretary, Ministry of Labour, has directed that similar public hearings should be held periodically in the subordinate offices, i.e., offices of the Protector of Emigrants at Bombay and Delhi (which between them account for most of the workload of the field offices). In pursuance

of these instructions, the JS/PGEs conducted a three-day public hearing (after prior publicity) at Bombay from January 14 to 16, 1985, and a large number of pending cases were sorted out. This will be followed up with more such visits. With the expansion of the field offices and the availability of more staff, further improvements are expected after sometime.

PUBLIC HEARING IN DELHI DEVELOPMENT AUTHORITY

While it is customary to talk about redressal of grievances by field offices, such as those in the district, sub-division and similar administrative units, it is not often that the question of redressal of grievances by autonomous bodies having lot of public dealing, is mentioned. During the two-year period between 1978 and 1980, when the author worked in the Delhi Development Authority (DDA), a very affective system of redressal of public grievances was run by the then vice-chairman (VC) of the DDA. It should be mentioned at the very outset that there are a wide variety of complaints against this organisation, which has a virtual monopoly over land management, large scale house construction, planning and development in the metropolis of Delhi. Amongst the petitioners at this public hearing, were delegations from welfare associations of various colonies, managing committees of various institutions, individual complainants aggrieved by poor construction of their houses and individual complainants among DDA staff having problems regarding personnel matters. The VC's system involved presence of senior officers from every important department of the DDA ranging from engineering, horticulture, planning and architecture, finance, and housing to personnel. The hearings were held at 9 a.m. every morning on the ground floor of Vikas Minar. The VC and his officers moved from group to group hearing petitions, and did not sit at a table waiting for the petitioners to come to them, because there were too many of them, requiring very quick handling. Disposals took the following form: colony welfare associations having complaints on flat construction, water supply or sewerage were given dates for personal site inspection by VC within the week and these dates were kept up. Following this up, remedial measures were ordered, with fixed time limits for the engineers concerned to report back to him. In a number of cases of sub-standard construction, suspension of the engineers concerned with consequent initiation of disciplinary action followed. On matters concerning lease, housing or personnel, a brief order on a cyclostyled format was issued to the head of the department concerned, to put up the relevant file within 24 hours.

In order to ensure that the file was received within the time

limit, a monitoring system was established in VC's office. He expected a comprehensive self-contained note on every such case from the head of the department, and expected his officers to be themselves accessible during certain fixed hours every day. Cases which came up to him in public hearing and which could have been dealt with by the concerned head of department under his delegated powers, invited the severe displeasure of the VC.

Simultaneously, the VC arranged to put the public dealing departments of the DDA on the lower floors of Vikas Minar, which is a 20-storey high building. Previously, a pass had to be taken from the reception to enter the building on the ground that such restriction reduced pilferage. Also, one elevator used to be reserved exclusively for the VC thereby blocking one of the seven elevators. The new VC dispensed with both the pass system and also ensured availability of all the elevators to the members of the public. In the event of a rush, the VC would himself simply run up the staircase to his fifth floor office. There was no perceptible increase in pilferage because of the pass system being dispensed with.

The cumulative result of these measures involving a daily public hearing, effective follow-up, clear delegation of authority to heads of departments, insistence on their own accessibility during fixed hours, and severe disciplinary action against errant and negligent engineers (by way of demonstration) and others following the VC's site inspections, was that it had a very salutary effect on this hitherto unwieldy and unmanageable organisation. Within two months, the number of petitioners appearing at the public hearing came down sharply from 500-600 to less than one-third of this number, because a large number of problems had been resolved in the interim period. Within six months, not more than 50 petitioners on an average, appeared in the public hearing every morning. Despite his busy schedule, the VC ensured that he was present at these hearings for at least four out of six working days in the week. In the event of some other pressing preoccupation, he would ensure that either the engineer-member or the finance-member of the DDA presided over the public hearings. Even so, it was only the VC's own public hearing that really brought results.

Today, the DDA has about 50,000 members of staff on its rolls as against 15,000 during the period 1978-80. Going by newspaper reports, the author learns that now officers of assistant director level in the DDA are required to meet the members of the public to sort out their complaints. Apparently, there is also a senior officer in charge of public grievances. However, on the basis of the author's experience during 1978-80, the system cannot be effective without the personal involvement of the VC.

The 1978-80 experience with regard to the DDA public hearing again highlights the same simple concept which the public hearing system of the ED in the Ministry of Labour has brought out, i.e.:

- (i) Ready accessibility of the senior most officer and decision-making level; and
- (ii) Effective follow-up with a definite time frame.

In the DDA, the public hearing system also enabled the VC to get a cross-sectional understanding of the problems affecting his various departments. On the basis of repeated complaints of delay, received during the public hearings, the VC got an idea as to which functionary on a public dealing seat was unreliable, and periodically ordered shifting of such persons to relatively 'dry' seats. Corruption is difficult to eliminate, because it is not possible to purge the minds of people. It is, however, definitely possible to minimise it through a combination of checks flowing from a public hearing system, accompanied by reduction in opportunities and temptations for corruption by speeding up the movement and disposal of cases/applications. This can be done only with the direct participation of the head of the organisation in such an enterprise. Nothing less than this level can ensure results.

PUBLIC HEARING TOURS AND INSPECTIONS AT FIELD LEVEL

The experiences mentioned in the preceding sections are equally applicable at the field levels--such as the district, sub-division and tehsil--in all departments ranging from the collectorates and their subordinate offices to the police department, PWD and so on. During 1975-77, public grievances committees under the chairmanship of district collector, were set up in collectorates throughout the country. These committees heard grievances against every department in the district on fixed days every week. Wherever these committees operated sincerely, the results were there for all to see. It may be a very good thing to revive this practice all over the country. This should be accompanied by instructions to all state governments that district collectors should be rendered completely free of the protocol duties of attending to VIPs. Notwithstanding the fact that there are protocol officers in most districts in the country, many VIPs, however, expect the collector to be present in attendance, unmindful of the fact that his time could be more fruitfully devoted to his work.

Regarding field level, a few ideas that deserve re-emphasis are as follows:

- (a) Apart from the district officers, and officers at sub-divisional and tehsil levels being asked to be accessible for the redressal of public grievances with an effective follow-up system, district, sub-divisional and other officials proceeding on tour may be asked to give advance publicity in the panchayat/patwari's offices about their availability on certain days for redressal of grievances. This is to facilitate purposeful tours and help the officer in meeting members of the public in remote areas of a district resolve their problems instead of expecting them to travel long distances to the headquarters.
- (b) Quasi-judicial work is largely conducted either at district or sub-divisional or tehsil headquarters. It is always possible to revive the old practice--that was prevalent in the British times and for about two decades or so even after Independence--of doing quasi-judicial work in camp courts during tour, of course, with advance notice to the contending parties. This saves the litigants a lot of expense in coming to headquarters and paying to witnesses, not to mention the lawyers.
- (c) The practice of granting adjournments indiscriminately, is a major source of public grievance. The two contending lawyers will naturally be agreeable to adjournment, because it benefits both. The petitioners/litigants are hardly in the picture.
- (d) In many social legislations, such as tenancy, homestead, and other legislations, there is usually a provision to the effect that appearance by lawyers is at the discretion of the presiding officer of the court. This is usually ignored by the presiding officers who are even known to ask the petitioners to get lawyers. While not expressing oneself against the legal profession at large, it should give food for thought with regard to enforcing these provisions, wherever they are there, more stringently than hitherto. This is because, often in the rules accompanying social legislations, a special responsibility is cast on the presiding officer of the quasi-judicial court to assist the petitioner in drafting and filing his complaint. This distinguishes such cases from the more formal procedures of civil and judicial courts.

Zero Base Budgeting.

C.V. SRINIVASAN

GOVERNMENTS ALL over the world are worried over mounting resource gaps arising out of galloping inflation and uncontrolled public expenditure. Rising operating costs and declining growth rates have also put corporate entities in a profitability crunch that demands significant, innovative approaches for improving bottom-line results. Across the board cuts, which have been attempted as short-term palliatives, have not worked because essential, basic activities are subjected to the same cuts as non-essential activities, whereas for long-term results in a continuing inflationary situation what is required is imposing of such budgetary reductions that will stick. Hence, the perennial search for new techniques for containing expenditure and reducing the budgetary gaps. For developing countries, like India, reducing the resource gaps and containing public expenditure have become particularly urgent in view of the reduced flow of aid from developed countries and increasing expectations of the populations for quickened tempo of development. Among the new management techniques, Zero Base Budgeting (ZBB) has caught the attention of the Government of India, which is reportedly being considered actively for adoption in budgetary exercises.

Budgeting is the allocation of scarce resources among competing alternate uses. A government may have a number of useful and desirable schemes under implementation or on the drawing board but the selection of schemes to be taken up for execution will depend upon the funds available. Similarly, a business enterprise, which may have a number of ventures in hand, has to make allocation of funds among the ventures with the object of optimising its survival and growth.

The traditional approach to budgeting is the incremental one, wherein the benchmark tends to be the level of activity and expenditure in the immediate past and budget proposals are related in terms of 'more' or 'less'. The previous period's budget and actual results are considered as givens. The budget amount is then changed in accordance with the experience during the previous period and

expectations for the next period. For instance, a budget for the R & D unit might be increased because of salary increases, and introduction of a new project or both.

The inadequacy of ordinary incremental budgeting, as a means of control, arises mainly because it restricts the manager's choice to making a single 'accept or reject' decision or ordering arbitrary cut backs (e.g., 5 per cent across the board) or redoing the entire budget process. Further, the budgetary allocations involve a conflict among competing interests and the accommodation of diverse, partisan interests is often achieved through negotiations, which cannot ensure rational allocation of scarce resources for optimal results. Hence, the search for more rational and scientific techniques for optimal allocation of resources.

SOME BUDGETING TECHNIQUES AND ZBB

Though ZBB is a relatively new catchword, the underlying concept is nothing more than a systematisation of a number of operational, planning and budgetary techniques that have evolved in recent times. Capital Budgeting; Planning, Programmes and Budgeting (PPB); Project Management; Management by Objectives; and Overhead Value Analysis are some of the building blocks on which the ZBB is built. A brief description of the salient features of these techniques will facilitate a proper appreciation of the advantages of ZBB.

Capital Budgeting

This technique, now in use for over 50 years, basically involves evaluating capital spending requests, taking into account the cost, the benefits (in increased productivity, increased volume or decreased cost) and possibly some alternatives (e.g., a comparable lathe from other vendors). In more recent years, more sophisticated analytical techniques have been used to evaluate the worth of projects, like return on investment, opportunity costing, years to break even, cash flow impact, and net present value. If the same measure is used across the board, all projects can be ranked quickly and objectively and the most promising one selected. The zero base approach is then used but only in the capital investment area.

Planning, Programming And Budgeting (PPB)

Developed in the early 1960s in the US Department of Defence, it was a programme-oriented technique with a long range horizon that demanded cost justification of several alternative approaches against an established strategic need. Though the primary thrust was towards planning and not budgeting, an operating budget was the natural

outcome. The performance budgeting--sometimes it is also called programme budgeting--which has been introduced in most of the departments of the Government of India in the 1970s, was an outgrowth of the concept of PPB. The central characteristics of PPB are as follows:

1. A careful specification and analysis of basic programme in terms of objectives;
2. Analysis of the output of a given programme in terms of the objectives;
3. Measurement of the total cost of the programme not just for one year but at least several years ahead, not on the basis of the first year alone; and
4. Analysis of the alternatives.

Project Management

This technique, first applied in US Space Programme in the 1960s and later by many business organisations, lays emphasis on evaluating and ranking outputs (or the value of results) by programme rather than summing up inputs (or costs) even though later they were expanded to include such non-economic factors, like technical feasibility, legal requirements, operational feasibility, intangible benefits, and risks of not acting.

Management by Objectives (MBO)

This technique incorporates, in the planning and performance appraisal processes, broad pre-agreed affordable objectives and strategies which could be readily translated into a tactical operating budget.

Overhead Value Analysis

Evolved in its full form in the mid 1970s--from the profit improvement techniques developed by a number of consultancy firms, primarily McKinsey and Co.--this technique basically attacks staff costs and subjects each programme or service to a rigorous cost-benefit analysis.

EVOLUTION, DEFINITION AND ADVANTAGES

ZBB made its organisational debut in the early 1960's in the US Department of Agriculture, which, however, abandoned it later. Its first acknowledged success in industry was in the late 1960s at Texas Instruments, where it started as a method to plan and manage research projects and evolved later into a staff overhead control technique.

An article on ZBB by Peter A. Pyhrr, who guided Texas Instruments' initial efforts, appeared in late 1970 and attracted the attention of the newly elected Governor of Georgia, Jimmy Carter, who implemented it in that state. Carter's subsequent rise to the presidency of USA hastened the widespread adoption of ZBB in both private and public sectors in USA. By 1979, over 500 organisations throughout North America had implemented ZBB to some degree. These included make and sell as well as service organisations, 12 state administrations, cities, banks, life insurance companies, utilities, school districts, and universities. However, the advent of Reagan Administration and the emergence of monetarist policies saw the eclipse and gradual fading out of ZBB in the Federal Government.

What is the Zero Base Approach?

In a nutshell, ZBB can be defined as an operating, planning and budgeting process which requires each manager to justify his entire budget request in detail from a scratch (hence zero base) and shifts the burden of proof to each manager to justify why he should spend any money at all. This approach requires that all activities be identified in the 'decision packages', which will be evaluated by systematic analysis and ranked in order of importance. Reduced to its essentials, ZBB involves the following five steps:

1. Defining decision units;
2. Setting objectives for each unit and structuring alternative ways and levels of effort for accomplishing them;
3. Describing each unit's activities in a set(s) of decision packages for the chosen alternative;
4. Ranking all decision packages for a given department (or sometimes throughout the organisation) in order of importance by systematic analysis; and
5. Conducting a post implementation performance audit to assure achievement against commitments.

A decision unit is a cluster of activities, for which a given manager is accountable or, in other words, the lowest level for which budget is prepared. A decision package, which is the building block of the ZBB concept, describes the various levels of service that may be rendered by the decision unit. The key elements of a decision package are as follows:

1. The objective or goal of the decision unit;
2. A brief description of the programme by which the goals are proposed to be achieved;

3. Costs of the programmes;
4. Benefits expected of the programmes as well as any appropriate quantitative performance measures;
5. Alternatives to the programme; and
6. Consequences of not approving the package.

The delicate balancing act of allocating resources among competing decision units and packages, e.g., for today's versus tomorrow's needs or for housekeeping versus strategic activities is accomplished through ranking all the decision packages. Through ranking, we limit ourselves to the most productive array of alternatives, recognising that while needs are seemingly infinite, resources are always limited and allocations are done on the basis of priority.

Advantages of ZBB

The strong points of ZBB can be briefly mentioned as follows:

1. Goals are more clearly established and more information is offered on a wider variety of choices, particularly concerning competing alternatives. This facilitates explicit consideration of the different alternatives.
2. Managers become more heavily involved in a well-structured budget process which fastens communication and consensus.
3. Priorities among activities are better pin-pointed. A project does not continue at its current funding level just because it was funded in the previous year. Old projects or staff groupings that contribute little to the organisation's new goals are given low priority levels. New projects with high yield or savings potential are able to compete favourably for available funds.
4. Knowledge and understanding of inputs and outputs are enhanced. The budget process is generally more rational and less political than in the traditional techniques.
5. The measures of performance contained in the decision packages facilitate evaluation of the activity and determination of the extent to which the objectives have been achieved.
6. Resources, on the whole, are reallocated more efficiently and effectively.
7. It facilitates control of overhead costs in the organisation.
8. By integrating planning, budgeting and decision-making, the entire management system is simplified as much effort spent in reworking budgets, developing back-up detail, pulling together supplemental requests and reconciling long range resource estimates with tactical budgets are substantially reduced, if

not eliminated.

9. ZBB acts as a vehicle to trade off between long-term and short-term needs and thus ensures that the strategic goals are achievable and are within the inevitable resource constraints.
10. The ranking sheets, when need arises, can serve as contingency plan and as an audit and control mechanism during the course of the year. If resources turn out to be greater than expected (or results lesser), spending can be quickly modified along with associated goals and performance expectations.
11. ZBB helps in pin-pointing duplications throughout the organisation.

The involvement of managers at all levels in the budgetary process and sharpening of their analytical skills are added advantages in management development.

PROBLEMS IN IMPLEMENTATION OF ZBB

For all its merits, implementing ZBB is not without difficulties. Some of the most frequently encountered problems and the way these can be overcome are discussed in the following paras.

Cost and Volume of Paper Work

The time and cost of preparing the zero base budget are much higher than less elaborate budgeting processes. For example, a proposed study of one portion of the US Federal Elementary and Secondary Education Act was to last seven years with a cost of \$ 7 million during the first year alone. Indeed, in some organisations, paper work involved is so much that ZBB is nicknamed as 'Zero-Base Budgeting'.

However, the paper work can be minimised by: (i) careful design of the forms for the decision packages, (ii) focusing the efforts on the decision packages around 'the decision point' or 'level of affordability' and not wasting time in review of packages of obvious merit or those required by law, and (iii) taking up only a minimum size of decision packages, in case of very large organisations, for critical analysis in a budget cycle.

One factor which can add to the cost of ZBB is the creation of separate agency for doing the zero base analysis. The ZBB has been most cost effective and successful where it has been integrated into the annual budgetary process and the line managers and the budget staff have been entrusted with the zero base analysis. The pay off from the reorientation of the approach of line managers and the budget staff towards zero base is more rewarding and long lasting,

though some additional efforts and cost might be involved in training the staff and devising formats for the zero base analysis.

Frequency of ZBB

Though the annual budget cycle is recommended for ZBB also, one method which has helped in reduction of cost is to adopt longer cycles of say two or three years instead of an annual one for zero base analysis, especially where the job has been done thoroughly and the management is comfortable with the results.

Passage of 'sunset' laws by the federal and some state governments in USA, which provide a termination date for each regulatory agency, is an attempt to reduce the periodicity of zero base review, as the performance review is conducted more towards the date when the term of the agency is to expire and it is being considered for extension.

Scope of ZBB

One reason for the high cost of ZBB is indiscriminate application of the technique to all operations of the organisation. It can be most effectively applied to all 'actionable or discretionary' activities, programmes and costs. An actionable or discretionary item is an activity or programme in which a cost benefit relationship can be identified, even if the relationship might be subjective. ZBB can, therefore, most effectively be applied to all administrative (e.g., financial, EDP, personnel and supervisory), technical (e.g., research & development, engineering, laboratory, quality control, maintenance and production planning), and commercial (purchasing, marketing, sales and traffic) functions in an organisation. It is not intended for direct application to direct costs on labour, material and overhead associated with production operation, where it is possible to evolve standards for costs and the budget could be put together by multiplying the projected volume by labour rates and standard costs.

Threat to Rank and File Managers

In the minds of rank and file managers, ZBB is perceived more as a zero sum approach and a gimmick on the part of top management to apply the hatchet. Further, the specification of service levels, especially the minimum levels of service, is threatening to many managers. It would be necessary for the top management to carry all along and reassure them, especially during the initial years of ZBB, that retrenchment is not an end in itself. Since the success of ZBB depends greatly on innovative approach in identifying alternatives, the flow of ideas from the rank and file is a *sine qua non* for success of ZBB and hence the need for rapport with rank and file.

Difficulty in Determination of Performance Measures

To maximise the benefits of ZBB, measurements of inputs and outputs are necessary. In respect of many activities, especially administration tasks or support facilities, devising of appropriate measures poses problems.

Top Management's Commitment

In a nutshell, a successful zero base budgeting requires the commitment and involvement of an executive cadre possessed by a will to manage. They must fully recognise and appreciate the need for the process and the changes it will inevitably require. They must be prepared to spend considerable time and effort with their lieutenants and in executive conference in honing and clearing the final plan. Although they will not be required to work out the details of every decision package and its alternative, they must be willing to lay out clear and consistent management objectives and strategies before those who work with them in crystallising these and maintaining a close relationship with the people in the controller's staff who will administer ZBB. In the final analysis, motivating everyone in the organisation for the success of ZBB is most important.

Application of ZBB to Revenue

Another weakness of ZBB is that it is not applied to the revenue side. The result is that if there are funds, the existing spending programmes do not pass through the same rigorous tests through which they would have passed if funds were limited. Further, many of the revenue measures may not themselves be cost effective. For ZBB really to be successful, the revenue side should also be subjected to a zero base analysis.

Applicability of ZBB to Indian Situation

Critics of ZBB have been quick to point out that our country is not ready for a sophisticated technique like ZBB. Fears have been expressed that the Indian administrative and managerial system, which is already clogged with paper work, will be burdened with additional mounts of paper work. There are others who have advocated a go-slow policy as regards introduction of ZBB.

This approach is due to an incorrect appreciation of the Indian situation. The productivity of the Indian economy is abysmally low and this is due, not to an inconsiderable extent, to the large number of staff and discretionary expenditure, whether in government or in corporate sector. The unbridled growth of non-plan expenditure, excluding Defence (from Rs. 8500 crore in 1980-81 to an estimated Rs. 23117 crore in 1986-87 budget for the Government of India 300

alone), despite ad hoc cuts imposed by the government from time to time and the ban on creation of posts on the non-plan side, shows that some drastic measures are called for. In the corporate sector also, lack of incentives for curtailing discretionary expenditure and promoting cost economy and the regime of sheltered markets have also resulted in scant attention being paid to cost economies. With widening resource gaps, cutting the coat according to the cloth has become imperative for survival and growth. Since ad hoc cuts have failed, there is no alternative to adopting more scientific and rational approaches to budgeting and of all the methods tested world over, zero base budgeting by far appears to be the best.

There is, however, the danger of the ZBB becoming an end in itself rather than the means for an end. We had the earlier example of performance budgeting, which was introduced with great fanfare in the 1970s but has contributed very little towards improving performance and accountability except adding to paper work. We have to learn by our own experience and of the others in the working of earlier innovations. While support and encouragement and active monitoring at the highest levels of the government and of the organisations will be necessary, as was available in USA when President Carter lent his weight to ZBB, there is every need to avoid ZBB meeting the fate of the earlier innovations and allowing it to be reduced merely to an instrument of additional paper work. Unless we are careful, the danger of being trapped in the 'paralysis through analysis' syndrome is real.

INTRODUCING ZBB IN THE CENTRAL GOVERNMENT--SOME PRECAUTIONS

The responsibility for the budgeting process in the government are shared by the departmental authorities, the financial adviser of the ministry, and the Ministry of Finance.

The O & M studies and work studies are, however, the responsibilities of three different agencies--the Administrative Reforms Wing responsible for administrative reforms, the Staff Inspection Unit, and the Internal Work Study units in the ministries. There is a lack of congruence in the efforts of all these bodies to contain staff expenditure. If ZBB is to succeed and be cost effective, there should be a mechanism for coordinating the efforts of all these agencies and to integrate their efforts with the annual budgetary exercise.

To take up the entire gamut of government expenditure for ZBB, review in the very first year may be an insuperable task. Selectivity aimed at optimal results should be the aim and for selection of areas for close ZBB review, enough indications are available in the

files of various ministries, in the performance reviews included in the Audit Reports of the Comptroller & Auditor General of India, and the study reports of Programme Evaluation Organisation of the Planning Commission and other agencies. For each ministry, a couple of organisations and three or four activities or programmes could be selected for ZBB review well in time and the various agencies mentioned earlier could harness their energies.

To be effective and lasting, the ZBB review should show demonstrable results and the ZBB efforts should have the full backing of top bureaucracy and political leadership. An attempt made and not implemented could have serious deleterious effect on the ZBB technique itself. Hard decisions, like closing down organisations or finding alternative systems and procedures in place of the existing ones may have to be taken as a result of ZBB review. Support from the highest level would be necessary for such drastic measures, where required.

Highly motivated officers and staff, with a flair for innovation, should be handpicked for the ZBB review and they should be suitably trained in the techniques.

For new agencies to be created for implementation of policies, there should be some provision like the 'sunset laws' which will provide for an automatic review of the *raison d'être* for the organisation and its performance.

The failure of the present budgetary processes to contain staff and non-plan expenditure and constraints on resources available for development expenditure make it imperative that we look for improved methods of control on expenditure. Despite the criticism, ZBB appears to be the most natural and appropriate method for the purpose.

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Political Economy of Irrigation in India.

N.R. HOTA

IRRIGATION IS a state subject and except for inter-state utilisation or disputes in regard to river waters, the Centre has practically no control over water-use. Water is also a vital input for agriculture. Thus, the control of water resources and their use gives the state governments tremendous political power over the economic life of the people in general and the vast majority of the agricultural class in particular.

POLITICAL ECONOMY OF IRRIGATION AGRICULTURE

The utilisation of water has also been conceived in various forms. The ancient and traditional forms of irrigation were through inundation, to which, with improvement in technology, were slowly added the forms of lift irrigation from wells and streams by means of muscle or animal power with the help of simple gadgets like buckets, baskets, rope, wooden lever (Tenda) and Persian wheel, etc. Further improvements in technology made it possible to have barrages and dams to control the storage, as well as use of mechanical and electrical pumping devices, with the use of diesel or power. The latest in technology are sprinkler irrigation and the seeding of clouds, which simulate natural rainfall to meet the water requirements of crops.

The importance of irrigation in agriculture in Asia can be summed up in the words of Hideo Yamamoto as follows: "Water determines whether there is a harvest or not; fertiliser determines whether the harvest is big or small".¹ This situation applies as effectively to India as perhaps to any other part of Asia. Extremes of dry or high rainfall conditions in India--both make artificial control and use of water essential for agricultural development--much more in fact than fertilisers, improved or hybrid seeds, improved technology or cultural practices. Irrigation can thus be termed as the essential and primary stage of agricultural development, which is to be followed with the intensive stage of new technologies in fertilisation, seeds,

weed control, etc.

The very nature of watershed management, involving large-scale construction and management of water-harvesting structures, appears to have made irrigation the sovereign state's prerogative since ancient times, often linked with the despotic rule of monarchs, who used to appropriate the generated surplus. The peasants thus lost initiative in production of surpluses, which they visualised not as fruits of their own labour, but as results of sovereign munificence. Thus, initiative in production was lost, resulting in stagnation in agriculture.² The degeneration and fall of despotism left the rural communities helpless. The colonial period that followed, introduced the concept of private property against community ownership, thus making investments in irrigation by the village community difficult. In any case, high cost river control works required a higher degree of capital formation, which was beyond the farmer or the village community. Even the state was not prepared for such investments in the colony. When Independence came, the need to make public investments in irrigation by the Central and the state governments became quite apparent. Independence aroused the aspirations of the people for their own sovereign state to take up this function of development again. Besides, in terms of providing work, wages and income in the short-run and increased agricultural production in the long-run, there is no better programme for India's rural community than the development of irrigation. It was, thus, potentially an extremely useful tool in the hands of the political system for winning popularity and franchise and in dispersing a share of the developmental expenditure in the countryside.

Table 1 given below shows the progress made in irrigation in the country since Independence.

Table 1 shows how during the entire pre-plan period (about 350 years of colonial rule), the irrigation potential created in India was limited to 22.6 million hectares (m.h.), out of the total potential of 107 m.h., constituting thereby a developmental effort of only 21.12 per cent of the available potential. On the other hand, during a period of 30 years of planned development (1950-80), the potential has been raised to 56.60 m.h., i.e., 52.89 per cent of the potential available. The net percentage of increase in 30 years is thus 31.77, which is about 1.5 times more than what had been accomplished during 350 years of colonial rule in India. This clearly shows the influence of political factors in the macro-level development of the irrigation economy in the country. Besides, the rate of growth of potential/outlay during the planning era can also be seen in Table 2 from one plan period to another.

Table 1 PROGRESS IN DEVELOPMENT OF IRRIGATION IN INDIA
SINCE INDEPENDENCE

Period	Outlays/Expenditure (in crores of rupees)			Potential Created (million hectares)		Cumulative Potential (million hectares)
	Major and Medium	Minor	Total	Major and Medium	Minor	
Pre-plan	-	-	-	9.7	12.9	22.6
First Plan	380	76	456	12.20	14.06	26.26
Second Plan	380	142	522	14.30	14.79	29.09
Third Plan	581	328	909	16.60	17.01	33.61
Annual Plans (1966-69)	434	326	760	18.10	19.00	37.10
Fourth Plan (1969-74)	1237	513	1750	20.70	23.50	44.20
Fifth Plan (1974-78)	2442	631	3073	24.82	27.30	52.12
Annual Plans (1978-80)	2072	497	2569	26.60	30.00	56.60
Sixth Plan (1980-81)	1225	284	1509	27.55	31.40	58.95

Table 2 GROWTH OF IRRIGATION DURING PLAN PERIODS IN INDIA

(per cent)

Period	Potential Growth	Outlay Growth
Pre-plan	22.6 m.h.(base)	N.A.
First Plan	16.19	456 CR(base)
Second Plan	10.77	14.47
Third Plan	15.53	74.13
Annual Plans (1966-69)	10.38	-16.40
Fourth Plan (1969-74)	19.13	130.26
Fifth Plan	17.91	75.60
Annual Plans (1978-80)	8.59	-22.93

Another interesting reason behind such huge state investments is the fact that in every country, including India, the capital cost of

irrigation, per hectare of area irrigated, is increasing and thereby bringing such projects more and more within the state's patronage and cutting out possibilities of investments by individual farmers and village communities. Table 3 shows how steep is the rise in per hectare cost of irrigation in different plan-periods in India.

Table 3 RISE IN PER HECTARE COST OF IRRIGATION IN INDIA
DURING PLAN PERIODS

Period	Expenditure (in million rupees)	Actual Potential Created (in mil- lion hectares)	Capital Cost p.h. of Potential (in rupees)
First Plan	3760	3.66	1027.32
Second Plan	5410	2.83	1911.66
Third Plan	10240	4.52	2265.48
Annual Plans (1966-69)	7950	3.49	2277.93
Fourth Plan (1969-74)	24110	7.1	3395.77
Fifth Plan (1974-78)	38530	7.9	4877.21
1978-82	68470	9.47	7230.20

These higher investments require a high level of capital formation and thus give the state greater powers in deciding which projects to select and where to locate them, in keeping with the interests of the political system.

IDENTIFICATION AND SELECTION OF PROJECTS

Another part of the political economy of irrigation relates to identification and selection of projects. Here, one naturally comes to the streams of costs and benefits or a kind of productivity/financial test. The Royal Commission on Irrigation (1901) was the first body to examine if the financial test was too rigorous and if indirect benefits of irrigation to the government/people were to be accounted for on the stream of benefits. The Commission finally recommended retention of the financial productivity test. The

financial productivity of a project was to be determined as shown below:

		(Year X)	
Debit		Credit	
1.	Interest on capital cost as on year of commencement	1.	Direct receipts (water rates or charges, rents, fines and Miscellaneous receipts under the Canal Acts).
Plus		Plus	
2.	Working expenses	2.	Indirect receipts (share of enhanced land revenue, inte- rest on sale proceeds of government wasteland, rents from temporary cultivation of government wasteland, revenue from trees on wasteland, etc.).

Credit minus debit was to show a return on investment of 4 per cent prior to April 1, 1919, 5 per cent up to August 1, 1921 and 6 per cent thereafter. It was refixed after Independence, at 3.75 per cent with effect from April 4, 1949 and at 4.5 per cent after August 1954.

While this financial productivity test remained on the books, in actual practice, to quote K. Puttaswamaiah, "Since 1947, the financial productivity test has not been applied very strictly and projects are generally being sanctioned on the basis of other considerations".³ He lists out a number of irrigation projects in different states, which were sanctioned by the Planning Commission during the First and Second Five Year-Plans below the productivity test of 4.5 per cent return.⁴ It is invariably the 'indirect benefits' or 'multiplier effects' argument (employment, transport, public revenue, etc.) that is thus used in sanctioning projects outside the approved financial criteria or norms, apart from public romanticism and the obvious potential of large irrigation projects for electoral speeches. Colin Clark, who was Economic Adviser to the Government of Queensland in Australia, mentions the case of hopelessly uneconomic irrigation project which that government attempted to justify (before he resigned) by setting against its annual cost, "the expected entire gross product of the farms, as if not only labour and enterprise of farmers, but also fertilisers, equipment, transport, etc., were to be had free".⁵

Even now, the Planning Commission in India does not have any

strict criterion for sanctioning irrigation projects. The projects are examined by the Central Water Commission and the Technical Advisory Committee from broad aspects and a view is taken to recommend them to the Planning Commission.⁶ In the final plan discussions between the Deputy Chairman, Planning Commission and the State Chief Ministers, certain adjustments are made and sometimes specific schemes are also mentioned.⁷ Since irrigation is a state subject and Central assistance is not tied to any individual project/ sector, many state governments are found to take up execution of certain schemes even prior to their sanction by the Planning Commission, thus pre-empting the latter from sanctioning them sooner or later. "In several cases, the approval of the Planning Commission/ Ministry of Irrigation was accorded 3-5 years after commencement of work."⁸ The Public Accounts Committee, in its 141st report, however, has recommended that plan projects should be selected in such a manner that "returns, financial, economic and social, on utilisation of our scarce resources, are maximised".⁹ See the emphasis on social returns along with financial and economic returns. Obviously, this committee also could not rule out considerations of political economy and say that projects should be selected entirely on cost-benefit analysis.

The benefits of irrigation are localised in the farmers' fields in the ayacut area and, therefore, the smaller a project or the closer it is to the farmers' fields, the greater is its impact on the beneficiaries. It is for this reason that a dugwell, a tubewell or a minor irrigation tank, fire enthusiasm of farmers more than a medium or major irrigation project. Again, due to short gestation period, these modes of irrigation need a low level of capital formation and yield benefits quickly. Puttaswamaiah argues on these considerations that future policy on irrigation "should have an accent on minor irrigation with a modification to the effect that the large and medium projects should also be taken up when the Exchequer is having safe breathing".¹⁰

While minor irrigation is more populist, major and medium irrigation projects are perhaps hydrologically more stable and less prone to failure in lean years of rainfall. The overall cost-benefit ratio of larger dams is also perhaps more attractive than many of the minor irrigation projects. Carruthers gives the following range of costs for West Pakistan (conversion of one rupee = 25 c)¹¹:

	Costs (c/m ³)
River Diversion	-0.08 - 0.20
Canal Remodelling	-0.20 - 0.32
Surface Storage	-0.32 - 0.45
Tubewells	-0.45 - 0.81

In India, cost of irrigation water from large dams and barrages varies from 0.13 to 1.35 (c/m³) at 10 per cent capital cost.¹² An enquiry in village Danda in Gujarat in 1968 showed cost of water from wells at 1.1 (c/m³).¹³ These show that river diversion and surface storage works are on the whole economically more attractive.

Since it is a question of proper allocation of state resources over competing demands, generally it is better to follow the economic criterion in sanctioning the projects on the basis of their cost-benefit ratio, whether they are major, medium or minor irrigation schemes. This would ensure that the most economically remunerative schemes are taken up for execution and thus the influence of non-economic factors on choice of projects and their location can be substantially reduced. Since dugwells and tubewells require low level of capital, it will also be useful to promote private initiative in their development, and the nationalised banks can play a useful role in providing credit for such purpose. The state support has, of course, to come by way of groundwater surveys and rural electrification, wherever substantial tubewell development is feasible, and is taken up through emerging private initiative. The working of public sector lift irrigation corporations in many states strengthens such a policy imperative. Such development can also be linked up with a scheme of subsidy for pumpsets, drilling expenses, electricity tariff, etc., for small and marginal farmers or farmers below the poverty line.

The Irrigation Commission (1972) had recommended that the cost-benefit ratio be adopted, in addition to the financial return criterion in sanctioning irrigation projects. They had also suggested that cost of ayacut development should be included in the cost stream. So far, both these suggestions have not been implemented. The internal rate of return criterion is also not being applied. In fact, to quote the Planning Commission, "There is no regular system of assessing actual economic return of irrigation project".¹⁴ In case of irrigation projects sponsored by international lending institutions, mainly the IDA, the cost-benefit ratio is taken as 1:1.5 and is even relaxed in certain cases.¹⁵

The Public Accounts Committee has, therefore, recommended in its 141st report that, as in case of public sector industrial projects, suitable investment criterion based on economic return should be adopted for all irrigation projects. The cost stream should take care of all costs, like all inputs for agricultural development and the cost of ayacut development. There should also be a quinquennial post-facto evaluation of the actual economic returns vis-a-vis the estimated one.

This inevitably raises the question of social benefits, which form

part of the socio-political ethos. Sometimes, these can be quantified and built into the cost-benefit ratio, and sometimes they can only be appropriately considered. Any practical administrator would easily see that such considerations cannot completely be ignored. Where no other means of irrigation is available, say the Rajasthan Canal Project area, the social value of such an irrigation project is bound to be very high. A classic case in this regard is the Canalisation Project taken up in River Swat in the erstwhile NWFP (now in Pakistan) in 1884 by the British Government. The military authorities felt that the inhabitants of this area were raiding their neighbours and leading generally a turbulent life because they did not have any stable livelihood throughout the year. So the Canal Project was sanctioned at a very high cost of \$ 150 per hectare at that time. After the canalisation was completed, Swat became a peaceful agricultural settlement and the people were completely transformed. Such considerations should, therefore, as far as possible, have to be built into the examination of cost-benefit ratios in sanctioning irrigation projects. Economists have been trying to achieve greater sophistication in working out social cost-benefit ratios of projects¹⁶ which no doubt would aid the pragmatic administrators in adoption of workable norms for sanctioning irrigation projects.

UTILISATION OF POTENTIAL

This 'terre-capital-formation' in irrigation in the public sector, as it has been appropriately described by Akira Tamaki, has, however, to be converted into actual 'productive power' by a process of internalisation of investment for operation of individual farms.¹⁷ This raises a number of issues like: (i) change in the agricultural environment of individual farms; (ii) technical adaptability of producers and motivation for the same; (iii) construction of field channels and control of water use; and (iv) all these having important bearings on utilisation of potential.

Large irrigation projects invariably have built-in mechanism for flood control and drought prevention through the creation of suitable reservoir capacity, and thus have the effect of changing the agricultural environment of individual farms, which were earlier exposed to the vagaries of nature. Besides, sometimes, the farm environment is completely altered with irrigation water, as it happened, for instance, in the Command Area of the Hirakud Dam Project. The 'bahal' and 'berna' lands, which were deep paddy lands, became waterlogged with irrigation and lost productivity while the 'aat' and 'mal' lands, which were highlands, became more productive with irrigation and with better drainage that these lands already had.

Often, there is also a time lag between creation of irrigation potential and its utilisation by the producers in the ayacut, since the latter need to be adapted to conditions of irrigated agriculture, through education and experience, which take sometime. I had the occasion of working as a DDO in the ayacut area of the Hirakud Dam Project in the year 1961-62 when the IADP was taken up in that area. In my experience, it was seen that a lot of extension effort was required to educate the farmers in water-use and it practically took a decade to ensure full and proper utilisation of irrigation water in the entire Command Area. One even had to fight a superstitious belief that the water had become all useless for irrigation after generation of electricity. The need for the use of a package of practices, including fertilisers, improved seeds, improved agricultural practices had to be painstakingly sold to individual farmers. The importance of proper water-use and water-control for effective absorption of chemical fertilisers, particularly the need for construction of water-courses rather than using the traditional method of field-to-field inundation, had to be explained.

Motivation also becomes an important factor for technical adaptability of farmers, and is linked with the question of the land-tenure system. Unless the producers own the land and are sure that the fruits of improved production will go to them, they will not have any interest in converting irrigation water to productive power in their individual farms. To quote K.N. Kabra, "In an irrigation project, the additional output is raised by a large number of farmers on farms of varying size, under diverse tenurial conditions. The farmers also display many other socio-economic differences having a bearing on their response to and capacity of using new irrigation facilities. It is on account of such factors that there emerges a timelag between the availability of irrigation facilities and their actual use."¹⁸

Lag in utilisation results, among others, from:

1. Improper planning and execution of projects, due to which the headworks are completed much ahead of the canal system;
2. Lack of synchronisation of Command Area Development works like land-levelling, drainage, construction of field channels and water courses, etc., with availability of canal water at the outlet points; and
3. Lack of a proper system of distribution of water or supervision over water-use.

Before the beginning of the planning era, India had a created irrigation potential of 22.67 m.h. (9.7 under major and medium and

12.9 under minor irrigation) with only two major storage dams at Mettur and Krishnaraj Sagar. During 30 years of planning beginning from 1951-82, a sum of Rs.16,047 crore has been invested (Rs.10,090 crore on major and medium and Rs.5,951 crore on minor irrigation, including institutional outlay of Rs.2,840 crore). The cumulative target for creation of potential was 59.57 m.h. (29.10 m.h. under major and medium and 30.47 m.h. under minor irrigation). The actual potential created has been only 38.98 m.h. (18.98 m.h. under major and medium and 20 m.h. under minor irrigation). Thus, the total shortfall in creation of potential has been nearly 33 per cent.¹⁹

The analysis available for major and medium projects reveals that the gap between target and achievement of potential has been considerably narrowed down during the fifth Plan and thereafter, as may be seen from Table 4.²⁰

Table 4 GAPS BETWEEN TARGETS AND ACHIEVEMENTS DURING PLAN PERIODS

	Potential	
	Target	Achievement
	(million hectares)	
First Plan	3.4	2.5
Second Plan	4.2	2.1
Third Plan	5.2	2.3
Annual Plans (1966-69)	2.5	1.5
Fourth Plan (1969-74)	2.8	2.6
Fifth Plan (1974-79)	5.8	4.12} (1974-78)
1978-79	-	1.04} 5.16
1979-80	1.13	1.02

As is apparent from the table, the overall position, however, still remains unsatisfactory.

Stronger political will and administrative support are necessary to improve the economy of irrigation by reducing this lag between potential and utilisation to the unavoidable minimum. The Ministers' Committee set up in 1973 to study this problem of under-utilisation of created irrigation potential, recommended comprehensive measures, including establishment of Command Area Development Authorities for accelerating utilisation.²¹ They also emphasised the need for special legal and financial measures for construction of field channels.²² Command Area Development Authorities have been created in a number of completed and on-going projects on an experimental basis, with a

charter to take up on farm development programmes, including construction of field channels and water courses. In certain states, such on-farm development schemes are being coordinated with consolidation of land holdings (as for example, Hirakud Command area). Attempts are also being made to introduce warabandi (rotational system of irrigation) in such Command Areas where it did not exist, with a view to improving utilisation of potential.

The progress achieved, however, is still unsatisfactory and a major thrust towards implementation of these programmes with earnestness is required.

WATER RATE POLICIES

The next important aspect of the political economy of irrigation is the question of water charges as related to the economic returns of the projects and the costs of operation and maintenance.

In India, water charges are fixed based on maintenance costs of the irrigation projects. Very often, these maintenance costs are themselves set quite low and even then are not recovered fully. Therefore, the World Bank has been insisting on revision of such water charges in cases of international funding for irrigation projects in India. But any increase in water charges is a highly politicised decision and is often taken on political rather than economic considerations. Sometimes, even the modest water charges, already in force, are not collected properly and political and administrative will for enforcing such collections is often found wanting.

Though many states have taken recourse to 'betterment levies' in the irrigated areas, in actual practice, it is seen that these laws have hardly been enforced and hence betterment levies have hardly been collected.

As a result, government irrigation projects are incurring losses in regard to their gross receipts minus total expenditure on maintenance. The actuals of such losses for the year 1980-81 were worked out by the Planning Commission in May 1983 state-wise. There is no state which is not incurring a loss and some of the larger states, like Uttar Pradesh, Maharashtra and Andhra Pradesh are incurring higher losses. States like Orissa, which levy a compulsory basic water rate on all ayacutdars in Khariff, show a smaller quantum of loss than other states, which charge for irrigation on the basis of crops or water supplied. In fact, assessments run into difficulties in cases of crop-wise or acre-inchwise charges for irrigation water. Assessments and collections also run into trouble in view of the duality in administration, i.e., water is supplied by the Irrigation/PWD authorities and certification of area irrigated and assessment and collec-

tion of water charges is done by the revenue authorities. This duality often suits the beneficiaries and populist governments and any administration which attempts to raise the water charges or even to collect them effectively, is derided as anti-people. Thus, supply of irrigation water has to reckon with large hidden subsidies by government to the beneficiaries, at the cost of a large majority of people living outside the irrigated zones (the subsidies are paid out of their tax contributions). The coverage of irrigation on an all-India basis is about 30 per cent of the total cultivable lands and the population benefited may also be around 25-30 per cent.

The range of charges for water according to use, even in USA, shows a hidden subsidy for irrigation (though lesser than power and waste disposal). This is evident from Table 5.²³

Table 5

Type of Use	Charges in c/m ³	
	Average	Maximum
Domestic	9.0	21.2
Industrial	3.6	14.8
Irrigation 0.15		2.43
Power	0.06	0.53
Waste disposal	0.06	0.23

The Planning Commission observed before the 141st PAC that "the main reason for the losses in irrigation projects is that water rates are not being revised in keeping with the increasing cost of irrigation".²⁴ Despite emphasis on this aspect in every Five-Year Plan, every Finance Commission Report, Report of the Irrigation Commission (1972), and the Report of the Raj Committee on Taxation of Agricultural Wealth and Income, the state governments have been quite tardy in responding to any upward revision of water rates. Only Orissa and Rajasthan, were able to cover their working expenses by the end of 1982-83.²⁵

In 1945-46, i.e., before Independence, the return from irrigation schemes was Rs.7.93 crore on an investment of Rs.149 crore, i.e., 5.3 per cent. This came down to Rs. one crore the following year and after Independence, the irrigation and multipurpose projects have been consistently showing losses, as shown in Table 6.²⁶

Table 6 LOSSES IN IRRIGATION AND MULTI-PURPOSE PROJECTS

(In crore Rs.)

Year	Losses
1975-76	154.60
1981-82	424.75
1975-76 to 1981-82 (cumulative)	2053.00

The PAC, in its 141st Report, has, therefore, observed, "this situation cannot and should not be allowed to continue" and has found "no reason why the big landowners who are the principal beneficiaries of the irrigation facilities, should continue to be subsidised any longer, though it may be justified in case of small and marginal farmers and share-croppers".²⁷

In the Command Areas of large irrigation projects, there is need to evolve a commercial cropping pattern to consume the large water potential created. In the process, substantial agriculturists, who are often the most adaptable, organised and vocal and have access to centres of political power and patronage, come to control the water and its uses, thereby depriving the bulk of the poorer sections from the benefits of water. These people often join hands with the canal administration in cornering benefits for themselves and also oppose any move to raise the water rates.²⁸ A progressive administration has to break this vicious nexus of power and bring the economic benefits of irrigation to the common people in the Command Areas.

In India, while major and medium irrigation projects are treated as commercial schemes, minor irrigation projects are not yet treated as such. This is economically not rational since irrigation water is a commercial product and irrespective of the source, the society has a right to get an adequate return from such investment. A rational water-rate policy is, therefore, necessary to ensure an adequate social return on the investment in irrigation. The shadow-pricing of water does not help us in fixing an economic water charge, since the alternative use of such abundant water is often not available near the points of storage or diversion or lifting. Therefore, a rational water rate policy has at least to ensure that the costs of operation and maintenance are recovered, even if there is no return

on the capital invested. Since irrigation projects are basically infrastructure projects, a return on capital can perhaps be sought in the multiplier effects that this investment generates in the economy.

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Coordination in Agricultural Development.

C. SATAPATHY, B. DAS AND (MRS.) B. MITRA

OUR PROGRESS in agriculture since Independence has helped to generate self-confidence for better achievement. The foodgrain production in our country had increased to an all-time record of 142 million tonnes in the year 1983-84 as against 55 million tonnes in 1950. Although technological advances in our country took place in the present century, the real breakthrough in agriculture production occurred in eighties only. The achievements of Indian scientists in the field of agriculture won acclaim all over the world by the end of 1980.¹ It is, however, imperative that this progress on the agricultural front should be improved further in the coming years.

The way to reap higher benefit from agriculture is to facilitate scientific intensive farming through use of improved inputs, proper management of water resources and adoption of high-yielding varieties, which are inevitable to attain a rapid growth in agricultural production to meet the growing needs of our ever-increasing population. Agricultural production calls for a systematic approach through coordination of different organisations. No organisation can attain its goal without adequate coordination among units and their functionaries. Coordination is an administrative process which seeks to bring about unity of purpose in order to achieve common objectives. Effective coordination is, therefore, necessary between different units under the same organisation and among different agencies working towards a common end. Coordination implies a cooperative situation where two or more participants have a common goal and where each has sufficient information as to what others are going to do to enable him to make correct decision. It will usually be ineffective in the absence of coordination, for where coordination exists team work automatically exists.² It is the means whereby different entities may achieve concerted action without losing their organisational identity.³

STUDY CONDUCTED IN PURI DISTRICT

Keeping the importance of coordination from agricultural development point of view, a study was undertaken to investigate into the role of coordination in agricultural development in general and the following objectives in particular:

1. To determine the relative position of coordination among the factors influencing agricultural development;
2. To find out the gaps in coordination among different departments of agricultural development; and
3. To secure suggestions for effective coordination among different agencies and departments of agricultural development.

Research Design

The investigation was undertaken in the Puri District of Orissa taking four levels of development, i.e., state, district, block and village. The respondents of the study constituted the officials of these levels. The official respondents were selected from those departments which are directly or indirectly involved in agricultural development. Altogether, 100 official respondents were selected taking 25 from each level for the study. The respondents were interviewed by means of a structured schedule. The sample size of the study is given in Table 1.

Table 1 SIZE OF THE SAMPLE

Departments	State	District	Block	Village	Total
Agriculture	6	7	5	18	36
Cooperative	2	4	1	2	9
Soil conservation	3	1	-	-	4
OSCMF	4	-	-	-	4
Irrigation	6	2	2	-	10
CD	2	-	9	5	16
OSEB	1	1	2	-	4
AH&VS	-	2	4	-	6
CBs	-	8	2	-	10
FCI	1	-	-	-	1
Total	25	25	25	25	100

RESULTS

Relative Position of Coordination in Agriculture Development

For effective implementation of any programme, either in the field of agriculture or in any allied sectors, coordination becomes an integral component. At present, development programmes are multi-dimensional in nature. Therefore, coordination among different agencies is important and necessary. It has been a matter of research for a considerable time in the past to know the relative position of coordination as an ingredient of development which needs to be channelised for effective cohesion. Coordination is necessary at all levels, specifically at the village level, in the performance of different functions, such as identification of small and marginal farmers, agricultural labourers, filling up of loan application forms and laying out demonstration plots.⁴

In order to enlist different factors of development, an attempt was made through this investigation and the information so collected was subjected to statistical examination to determine their relative position as given in Table 2.

Table 2 RELATIVE POSITION OF COORDINATION AMONG FACTORS
OF DEVELOPMENT

Sl. Factors No.	State	District	Block	Village
1. Input	I	I	I	I
2. Irrigation	II	II	II	II
3. Training	III	III	III	III
4. Organisation	VI	VII	VI	VII
5. Technology	IV	IV	IV	IV
6. Coordination	V	V	V	V
7. Marketing	VII	VI	VII	VI

The findings given in Table 2 reveal that input, irrigation, training and technology are the four important components to which due importance was being attached at all levels, namely, state, district, block and village. The other components, like coordination, organisation and marketing, which are found to have a bearing on implementation of agricultural programmes, ranked at the bottom level of the scale so far as their importance is concerned. Coordination as a factor of agricultural development programmes is found to

have ranked at the fifth position at the levels of state, districts and block but sixth at village level. Even though agencies or departments dealing with inputs, irrigation, training and technology are well designed at all levels, the implementation at agricultural programmes faced the problem due to lack of proper coordination among them. This is evident from the poor perception of officials about coordination at almost all levels, where programmes are being implemented.

Gap in Coordination

It is very often complained that many programmes fail in our country to achieve objectives because of lack of coordination between and among the developmental departments. Rural development depends not only on active participation of related departments but also effective coordination starting from the level of policy-making to the point of implementation. On analysing the opinion of official respondents about gap in coordination among different departments at different levels, the results obtained are shown in Table 3.

Table 3 GAP IN COORDINATION AMONG DEPARTMENTS

(in percentage)

Sl. Departments No.	State	District	Block	Village	Mean
1. Cooperatives	3.06	5.00	5.00	5.00	4.51
2. Co-operative Banks	3.15	3.06	12.50	10.55	7.31
3. Fertiliser agencies	2.00	2.00	8.00	8.16	5.04
4. Agro-industries	2.00	17.85	22.22	13.04	13.77
5. NSC	2.00	8.00	17.85	23.91	12.94
6. Private input agencies	37.88	19.55	8.00	2.00	14.60
7. Irrigation	0.00	2.00	5.00	5.00	3.00
8. OSEB	12.97	13.04	23.91	22.22	18.03
9. OSCMF	10.00	12.50	22.20	22.22	16.73
Mean	8.11	8.22	13.85	12.45	-

NSC--National Seed Corporation; OSEB--Orissa State Electricity Board; and OSCMF--Orissa State Cooperative Marketing Federation Ltd.

A look at Table 3 reveals the gap in coordination among various departments at various levels for agricultural development. The mean value of the gap reveals that maximum coordination lacks with the

departments of OSEB followed by OSCMF, private input agencies, agro-industries and NSC in that order. However, the cooperation of fertiliser agencies is found to be highest. In view of the findings, it can be stated that coordination is lacking in most agencies of power supply and marketing. At state level, lack of coordination is found to be highest with private input agencies whereas at district level it is with the agro-industries, at block and village levels with that of OSEB, NSC and OSCMF. The findings, on the whole, lead to the conclusion that the input dealing agencies and agency for power supply fail to keep pace with desired coordination with other agencies for agriculture development.

Suggestions for Effective Coordination

It is very often claimed that the views of officials are not taken into consideration for which intra- and inter-departmental coordination is not being maintained, as desired. The official respondents were requested to offer their opinion regarding maintaining coordination between and within departments as shown in Tables 4 and 5.

Intra-Departmental Coordination

All the sample respondents expressed about ten important attributes for keeping effective coordination within the departments for execution of agricultural programmes effectively. The information contained in Table 4 describes the suggestions.

Table 4 SUGGESTIONS FOR INTRA-DEPARTMENTAL COORDINATION

Sl. No.	Suggestions	Frequencies (Percentage)	Rank Order
1.	Sincerity	30.00	IV
2.	Punctuality	20.00	VI
3.	Monthly conference	15.00	VII
4.	Informal meeting	10.00	VII
5.	Brotherhood relationship rather than bossism	17.00	I
6.	Clean and unbiased administration	20.00	VI
7.	Enforcement of rules and regulations rigidly	25.00	V
8.	Coordination committee	15.00	VII
9.	Willingness to work together	55.00	II
10.	Incentives to efficient workers	40.00	III

The findings in Table 4 indicate that brotherhood relationship should exist among the employees to maintain coordination followed by willingness to work together, incentives to efficient workers, sincerity, rigidity of rules and regulations, punctuality and clean administration. The findings, therefore, lead to the inference that the above mentioned factors should be looked into while planning for effective implementation of agricultural programmes.

Inter-Departmental Coordination

On investigating the opinion of the official respondents about inter-departmental coordination, the results obtained are shown in Table 5.

Table 5 SUGGESTIONS ON INTER-DEPARTMENTAL COORDINATION

Sl. Suggestions No.	Frequencies (Percentage)	Rank Order
1. Inter-departmental seminars	50.00	III
2. Equal importance to all co-ordinating departments	45.00	IV
3. Minimisation of communication gap	30.00	V
4. Setting up of coordination committee	75.00	I
5. Joint supervision	70.00	II
6. Recruitment of proper personnel in all the coordinating departments	30.00	V

A perusal of Table 5 reveals that for effective inter-departmental coordination, formation of coordination committee, joint supervisions, inter-departmental seminars, equal emphasis to coordinating departments, effective communication and recruitment of suitable personnel should be given top priority in order of merit. However, these are the suggestions for state, district and village level officials, who deal and work relating to agricultural development.

CONCLUSION

The study leads to the following conclusions:

1. For agricultural development, seven important agencies and departments have distinct roles to make the programme a success. These are input, irrigation, training, organisation,

technology, cooperatives and marketing. Coordination, as a factor of development, occupies fifth or sixth position at different levels of programme implementation which reveal the poor conception of the officials about coordination in programme execution.

2. A considerable gap in coordination between agriculture and department/agencies of OSEB, OSCMF, private input agencies, agro-industries and NSC is found in the area under study.
3. For intra-departmental coordination, factors like brotherhood relationship rather than bossism, willingness to work together, incentives to efficient workers, sincerity and enforcement of rules and regulations should be taken into account.
4. For effective inter-departmental coordination, formation of coordination committee, joint supervision, inter-departmental seminars and equal importance to all coordinating departments should be given top priority.

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Human Resource Development for Rural Banking.

ANIL K. KHANDELWAL

PUBLIC SECTOR banks are engaged in a big way in the process of rural development. After the nationalisation of major commercial banks in 1969, banking has undergone a revolutionary change in its very objectives and the contents. One of the major expectations of the government as well as the society at large from the banking system has been in the area of rural development.

One dimension of the banks' involvement in rural development is evidenced by the simple fact that in the last five years banks have brought 15 million new customers in their fold under IRDP alone.

The major features of achievements of banks are as under:

1. The number of rural branches has increased from 2,233 in 1969 to 22,910 by March 1984.
2. The quantum of deposits mobilised from rural branches increased from Rs. 258 crore to Rs. 4,644 crore between 1969-80 (Rs. 10,990 crore as of March, 1984).
3. The amount of advances granted to various priority sector activities rose from Rs. 504 crore to Rs. 15,798 crore between 1969-84.
4. The number of loan accounts under priority sector increased from 642 thousand accounts to 17,895 thousand accounts between 1969-83.
5. Average population served by a bank branch got reduced from 88,000 to 15,000 between 1972-84.

According to an estimate, banks will continue to enlarge their rural activities by increasing number of branches to 55,100; deposits to Rs. 38,060 crore; and advances to Rs. 22,100 crore by 1990. This is also consistent with the direction of Seventh Plan.

It appears that banks have done reasonably a good job in achieving certain landmarks in rural lending but the recovery position which is around 52.7 per cent is only one indicator of banks' obsession with

the quantitative dimension in the processes of rural lending. It has been pointed out by several authorities that rural borrower by and large wants to repay back and where recovery is in arrears, it seems that it has been on account of lack of persistence, absence of providing counselling, extension and support services by the banks as well as other rural development agencies.

WHAT IS RURAL DEVELOPMENT?

In fact, the malady lies in our understanding of the word 'Rural Development'. The experience shows that the activities of the bankers have largely focused on rural disbursement. Thus, the focus is on disbursement of credit rather than development of rural poor which has wider connotations. This brings us to look at the word 'development' itself in the context of rural areas.

The World Bank¹ looks at the rural development as a process through which rural poverty is alleviated by sustained increase in productivity and increase in the income of rural workers and households. A seminar discussing the approaches to rural development in Asia agreed on the definition of rural development as the process which leads to continuous rise in the capacity of rural people to control their environment, accompanied by a wider distribution of benefits resulting from such control. Different authors have put different emphasis while defining rural development. For example, Miller² sets four tasks of development programmes:

- (a) Development of human resources;
- (b) Expansion of physical resources;
- (c) Extension of community's own control over its physical environment as a result of the expansion of physical resources; and
- (d) Correspondingly bringing more permanent changes in relation to the external environment.

Other authors have defined rural development in terms of:

- (a) Man as the centre of development;
- (b) Delineation of man so that he becomes the subject as well as object;
- (c) Development of collective personality of men;
- (d) Participation as the true form of democracy; and
- (e) Self reliance as the expression of man's own abilities (Haque, Mehta, Rahman and Wignaraja, 1977)

In his speech before the National Development Council, the then Planning Minister, Shri S.B. Chavan³ laid special emphasis in the area of human resource development (HRD) which, according to him, requires concerted efforts on the part of Central and state governments. He mentioned that HRD in achieving targets of Seventh Plan would mean:

1. A drive to eradicate illiteracy totally;
2. Provision of safe drinking water to all habitations;
3. Drive to wipe out the major diseases afflicting the health of people;
4. Preventive health care and higher nutritional standards; and
5. Determined perseverance with the programmes for fertility control and reduction in child mortality.

Thus, the focus of several schemes as well as development strategy for the Seventh Plan is on the 'Development of Man'.

Thus the emphasis of bank's contribution in rural development has to be essentially in the context of 'Development of Rural Client'. In this article, our hypothesis is that banks' effort to develop 'rural client' can bring fruitful results if only banks are able to develop their own human resources to do rural development work.

RURAL DEVELOPMENT AND BANKS

Obviously, efforts of banks as well as other public agencies have been far from impressive in the area of development of rural personnel in its entirety. For example, banks have largely concentrated only on giving financial input, whereas the government agencies have largely concentrated on providing subsidy. Thus, the major thrust of banks and the government together has been on providing financial resources. However, mere economic help does not bring about total development and unless it is backed by other facilitative inputs like proper technology, marketing facilities, counselling services accompanied by strong will. The increasing percentage of overdue as also increase of persons below poverty line are two important indicators supporting our contention that credit alone is not a panacea for rural development.

In the above context, the observations of Prof. Karkal⁴ are quite revealing. He observed that the pattern of public investment during various plan periods (1 to 6) reveals that if the government were to distribute the entire amount for public expenditure to rural population, on an average every family would have got Rs.18,000 approximately and that this capital if invested in fixed deposit would have

enhanced their earning capacity much more than what the plans have achieved.

Prof. Karkal⁵ states that there are four characteristics of rural development: (a) economic; (b) scientific and technological; (c) socio-cultural; and (d) politico-administrative.

As far as banks are concerned, their major role can be seen in the context of giving economic push to rural developmental activities. However, this economic push needs to be seen beyond the limited perspective of disbursement of credit. The economic input by the banks must aid capital formation in the rural areas through productive investment which would require a concerted action for developing the borrower. The borrower will also have to be assisted through proper education and training to take appropriate benefits from other agencies and create in him necessary confidence to deal with the environment and help his brethren to come out from the darkness of ignorance and poverty. Thus the task before the bank is to move from 'disbursement oriented framework' to 'development oriented framework'.

The development oriented framework for a banker would mean basically playing two roles, viz., (a) functional role, and (b) promotional role. The functional role would mean: (i) quick delivery, (ii) ensuring end-use of funds, and (iii) recycling of funds. Promotional role would mainly include using credit as a lever of development. This would include going beyond functional role. The focus of promotional role should be on the overall development of the customers in terms of counselling and creating awareness in him so as to increase their capability and confidence to handle variety of problems faced in dealing with the environment. We do not intend to suggest that bankers indulge in a deliberate task of raising organised social awareness about their political rights but we definitely intend that bankers through education and development strategies can help in making the customer see his own inner potential to work for higher goals.

We see banks as a major resource for rural development only if banks, through their six lakh employees and money power at their command, can go beyond their traditional banking function. After all even if lending is done to poor persons while the basic mode and core is traditional, it merely tantamounts to extending traditional banking to clients in rural area without any element of 'innovativeness'. While urban clients, with their education and socio-cultural awareness, can, with the help of bank's borrowing, look after their interests, the rural client is not capable of looking after his interests in the best manner to that extent. This makes bankers' role much more challenging and demanding in dealing with rural poor than that with

urban clients. Therefore, banks have a very important role in rural development to look beyond traditional banking activities in rural areas; and have to actively engage themselves in the total development of the rural client.

Defining HRD for Rural Development

In order that rural development, in its proper perspective, is achieved through economic help from the banks, it is necessary that the banks pay increasing attention to human resource development for rural banking. Human resource development is not a one shot affair. It would mean planned change on continuous basis changing the perspective of bank personnel and motivate them to undertake rural banking job with a sense of dedication and commitment. It should also

call for systematic design of systems to help bank personnel to use their untapped potential and productivity to undertake such work as also to develop reward and punishment system consistent with performance record in rural areas. HRD for rural banking would also call for developing a spirit of collaboration and problem solving. The basic skill involved in the development of people through rural development programmes would require a new orientation altogether. The HRD process would include developing empathy, trust, helping attitude, autonomy and a sense of collaboration amongst bank personnel. Development of all these traits is obviously beyond training alone and would encompass:

1. Suitable recruitment strategies to acquire such personnel who can identify themselves with rural processes and develop empathy for rural mass by their very background;
2. Sound placement policies giving rural orientation to one and all who join banking industry;
3. Developing reward and punishment system consistent with performance in rural areas;
4. Performance linkages with creative involvement with rural development rather than merely traditional banking in rural area; and
5. Developing systems for better communication and prompt grievance resolution of the rural employees.

These steps, we believe, will certainly help in acquiring a highly motivated force of bank employees who can identify themselves with the developmental ethos.

Rural development through banks cannot be achieved by individual enthusiasm at different levels but by collective wisdom and adopting a group problem solving approach.

The task really is stupendous because after nationalisation, despite the success of the public sector banks in achieving certain targets, very little has been done by public sector banks to develop commitment in their cadre to serve rural poor.

RURAL DEVELOPMENT AND MOTIVATIONAL PROBLEMS OF PERSONNEL

Before suggesting a strategy for human resources development for rural banking, we cannot help analysing the current scenario in this area. Unless we examine the inadequacies of present policies, we would not be able to develop a plan for future.

Let us, therefore, discuss in following paras the 'Problem Areas' which are contributing to the inadequacies in promoting rural development.

Recruitment

Recruitment policy and strategies presently in vogue are not able to attract right kind of personnel for rural development job. For example, banks continue to recruit personnel from urban areas in large number. In both clerical and officer cadres, large number of highly educated youth, often from different disciplines, are recruited. A high percentage of them have absolutely no understanding of rural India. For them, rural poor is a fact of this country which finds a mention in their text books. Many of them have not even seen a village. In college/university they have had no exposure in either theoretical or practical aspects of rural life giving them any exposure/understanding of rural setting. Even the most highly qualified personnel holding degrees like M.Sc. (Physics), Ph.D., etc., who join banks are motivated to join this industry not because they want to serve in rural areas but because bank jobs are most secured and offer guaranteed promotion and status symbol in the society. At the time of recruitment the test given to them places emphasis on their numerical ability and reasoning. In interviews those who can communicate their ideas well in English language and are well versed in information ranging from Sunil Gavaskar's record to Disco numbers of Michael Jackson get selected. It is a pity that in many cases even the panel members have no exposure to rural development and are least qualified to test rural orientation of a new entrant.

Manpower Planning

When the task of rural development was assigned to banks after nationalisation, they largely responded by recruiting agriculture graduates. While this was a good strategy to begin with, its fall out was quite unfortunate. The bankers solely entrusted the task of

rural activities to these technically qualified officers. The result was that rural development became their baby while a general banker was able to progress in the organisation without having an exposure to rural banking. This also demotivated these agriculture graduates as they feel that they are destined to live in rural areas all the time and the experience and expertise required by them in other branches is not utilised. The banks recruited thousands of agriculture graduates. In some of the large banks they constitute as much as 10 to 15 per cent of officers, work force. This only shows absence of adequate manpower planning and existence of a strategy for rural development. As time passed, these technical officers started feeling the pinch as they felt that their good work is not amply recognised and rewarded in the organisation. They also saw lack of career opportunities as major promotions at higher level are from operational banking area. Thus, in most of the banks the rural development work did not occupy the central place in the functioning as far as promotional avenues for employees are concerned. Can we afford a future banker without any background and exposure in rural banking?

It is painful but true that most of the present senior management and top management personnel do not themselves have any direct exposure to rural banking and largely rural development plans are seen as government plans. An average banker wants to engage himself in traditional trade/industrial advances or international business rather than rural development.

Lack of Rural Orientation

As has been pointed elsewhere in this paper, the rural development activities have largely been carried out in a traditional fashion by the banks generally to achieve targets. Given the broad parameters of development which require total understanding of rural economy, rural ethos, and understanding of socio-economic environment, it is necessary that for doing real and significant work in rural development the change-agent totally identifies himself with the local area. The banker, who has been called upon to act as a change-agent in the rural area, has to totally integrate himself to the rural environment. However, this has hardly happened. It appears that most of the managers and other employees working in rural branches do not stay at the place of work. They come and go away. There is hardly any opportunity for them to mix with the rural folk and community feelings with those people. It is not uncommon to see that this goes on with the tacit understanding with the management. While absence of infrastructural facilities, like a house, a school, drinking water and medical facilities, are real and genuine problems, which discour

age officials of the bank to stay in such areas, there is increasing tendency amongst bankmen to stay outside even where such facilities are available. Perhaps this is because of their basic urban orientation. The basic malady lies in recruitment, which has been highlighted earlier. Under the circumstances, a rural posting in a bank is considered as unwanted posting and an average officer takes up the job with utter reluctance. Such an officer is hardly motivated to build up a long-term link with the rural setting and somehow looks forward to pass two to three years in rural area and move on to urban area. In fact, in most of the banks, the management has entered into understanding with officers' association regarding maximum duration of posting in rural area. This itself shows that rural posting is considered as a necessary hurdle to be crossed to reach the final destination. One of the reasons why rural posting is considered as hurdle is that it is not compulsory for every one to work in rural areas. This makes many officials feel discriminated and perhaps it is for this reason that officers' association insists on definite duration for such posting. In many cases, officers are able to rise to the top echelon without a stint in rural area.

Appraisal System

Another dimension of the problem is that the rewards are not linked with the performance in rural area. Most banks have appraisal systems which are heavily oriented towards achieving of targets on deposits, and of late on IRDP and other government sponsored advances. The creative and innovative work done in the rural area generally remain unnoticed for want of adequate control monitoring mechanisms. Barring honourable exceptions here and there, the performance in rural area, specially in the area of creative developmental work to help the poor, remains unnoticed. Also, people get away with their even rural posting even without any instance of success to their credit. It is nowhere reflected in their appraisal also. Since the expectation is restricted only to the area of traditional banking function, developmental work is generally ignored. For the factors outlined above, effective linkages with rural folks are not built up. This perhaps also explains the reasons why there is increase in political push for giving loans to weaker section.

Training

One of the most inhibiting factors for rural development by the banks is lack of training facilities to staff at all levels. According to one study, rural banking training constitutes only one-sixth of the total training programmes conducted by various training establishments of the bank, despite diversified increase in rural bank

ing activities and non-availability of trained staff. According to the Committee on Training in Rural Development Through Credit (TRUDEC), there is backlog of 38,000 officers who are to be trained in the rural banking⁴. Only four banks have their separate training establishments for rural banking. The backlog at individual bank's level is so large that almost all big banks need to have separate training establishments for rural banking alone. Within the existing training set-up, rural banking is not able to get the needed priority in the training function. Further, there is tendency to play with number and in this process the rigour is lost. In fact, the training requirements in rural banking are so complex and variant that it is necessary to have a totally different appraisal to rural development training. There is also no systematic strategy to train a traditional banker to adopt rural technology. Often the efforts are unplanned, uncoordinated and half-hearted. Also, there is a tremendous training gap in this area at senior management level.

SOME REMEDIAL MEASURES

In order to make bank finance productive and help rural client to develop, some remedial measures are discussed in the following paras which can be considered for implementation.

Recruitment Policies

Banks will have to change their recruitment strategies immediately. The oft-repeated problem that people from rural areas are not available, though genuine, is not unsurmountable. There are 14 institutions in the country which provide higher education in rural development. These institutes offer diploma/degree courses equivalent to graduation and post-graduation. These institutes also carry out experiments in the field of rural higher education to provide research and extension service for the benefit of the people of the area. The methodology adopted by these institutes is to provide students to live a fuller life by providing field experience. Institutes like Gangajala Vidyapeeth, Aliabad, Gujarat; Lok Bharati, Sansora, Gujarat; Vedchhi Ashram-cum-Gandhi Vidyapeeth, Vedchhi, Ahmedabad; Gandhigram Institute for Rural Development, Madurai; Rural Higher Education Institute, Virauli, Bihar, are some of the leading institutes which are producing good number of people with proper rural orientation. Besides there are 27 agriculture universities in India and 152 gram sevak training centres producing agriculture graduates and multi-purpose village level workers called gram sevak.

Banking Services Recruitment Boards (BSRB) can do campus recruitment both for clerical and officer cadres in such places. This will

greatly help BSRBs to acquire personnel with necessary orientation for rural development work. The BSRB also needs to have a second look at the present test system which is highly urban-oriented because it focuses only on numerical ability, reasoning ability and fluency in English, which helps the urban graduates to make their mark. There is absolutely no emphasis in the present system on rural orientation.

The BSRB should also insist on proficiency in local language in the recruitment. It is not uncommon to find in banks persons from south working in the villages of Uttar Pradesh or Rajasthan where due to language barrier itself they are unable to develop the required rapport with the local folk. Therefore, it should be ensured that before an employee is confirmed he achieves proficiency in local language. In fact, Officers' Service Regulations applicable to officers in nationalised banks do prescribe that a directly recruited officer may be required to pass a test in a language other than his mother tongue before confirmation but unfortunately banks do not seem to have implemented this clause. Necessary efforts for this purpose will, therefore, have to be made by the bank authorities.

Placement Policies

Banks will have to come out with a positive policy statement of placement in a rural area. One of the important constituents of the policy should be that rural service must be made compulsory for every officer and considered as an important yardstick for further promotion and growth in the bank. The present policy about rural postings is quite ad hoc which needs to be streamlined. In case of clerical staff also, due attention should be paid to give them necessary training and exposure as also motivation to undertake rural service. Within the first five years of service even in clerical cadre, it should be made compulsory for them to have at least two years exposure in rural areas. This should be given important weightage during internal promotion exercise also. This is all the more necessary because 75 per cent of promotions in the banks to officers cadre are from within the ranks. It is, therefore, necessary that right in the clerical cadre, employees should have exposure to rural banking. According to a recent survey conducted by National Institute of Bank Management⁷, 31 per cent respondents felt that rural postings will help if recognition of good work in rural area is considered essential for further career development. Another 29 per cent felt that it will help to a great extent if recognition of good work is given. This survey also points out that 66 per cent of the bank employees feel that it will motivate them to undertake rural postings if management assures the employees that after few years of

service in rural area they can have a posting of their choice. Another 25 per cent felt that it will help to some extent. Thus, we can conclude that a majority of bank employees (85 per cent) feel that rural postings can be undertaken on the assurance that they can have postings at their desired place after they have served in rural areas. We can appreciate this point more so in view of inadequate infrastructure in rural areas as also lack of any placement policy in the banks. Obviously, there is an immediate need to develop a rural placement policy in the banks. The promotions and reward system should also be strictly linked with the achievements/contributions in the rural areas. In the beginning of the career itself, employees should be given exposure in the rural banking.

Appraisal System

The performance appraisal system for officers in the bank needs to project a specific contribution and invisible work done by an officer in the rural area. The emphasis of appraisal system in banks is generally on meeting the targets of deposits and advances. Though these are important indicators of performance, yet there are other important dimensions like involvement with the local developmental task, extension services, counselling and coordination services which must be reflected in the appraisal system. There is a necessity for separate appraisal system for rural banking. In fact, while appraising the performance of even controlling heads, suitable criterion must be evolved to relate an individual's contribution to rural development under his area of control. Again, such criterion should not be based only on achievement of target figures but on providing counselling services to branches and pro-active steps in the area of rural development.

Team Spirit and Collaboration Through Grievance Handling

In order that developmental work in rural areas is undertaken with enthusiasm, it is necessary that the branch functionaries work in a team spirit. Working in rural areas involves dealings on one side with rural folk and on the other with multiple agencies headed by bureaucrats. Local politicians too make enormous demands on a banker. Added to this are the communication problems within one's own organisation. Considering all these factors, it is necessary to have a good communication machinery within the bank so that there is periodical feedback about the problems faced by the staff in rural areas. There may always be interpersonal problems within the branch. If these problems remain unresolved, they become potential source of conflict. It is, therefore, necessary that a time-bound grievance machinery is available to those working in rural areas. In fact,

grievance machinery for entire community of employees is essential but in urban areas employees have better access to management through trade unions. What is, therefore, required is that periodical visits by personnel officers to rural areas should be made to have first hand appreciation of the problem and where behavioural problems exist necessary counselling be given on the spot.

Development Through Training

In view of the massive task of rural financing, banks have to have trained personnel in various aspects of rural development so that they are able to play a role of change-agent in rural areas. In fact, one of the major factors for failure of banks to touch qualitative dimension of development in rural areas has been absence of trained manpower. Though commercial banks have provided training opportunities in rural development in their respective training establishments, yet the courses offered are far from adequate in terms of both content as well as impact. Majority of banks, including some of the major banks, mainly rely on some of the courses conducted by them in their existing training establishments. There are apex training institutes--like College of Agriculture Banking, Poona; and Bankers Institute for Rural Development (BIRD), Lucknow--which have been established very recently. These institutes conduct programmes for commercial banks as well as cooperative and regional rural banks (RRBs). Other apex level institutions like National Institute of Bank Management (NIBM) and Bank Training Centre (BTC), are not doing many programmes in the area of rural development. Thus, largely, banks have to rely on their own internal facilities for training for rural development. With the added responsibility of training RRB personnel, it is all the more necessary that banks develop suitable infrastructure to take care of training needs at different levels, that is from clerical staff to senior management level. According to the TRUDECO report, commercial banks are required to train 38,000 officers and 26,000 officers of RRBs by the end of 1985. The task is really stupendous. It does not involve merely giving capsule courses in rural development but to design comprehensive courses so that officers with urban background can have a thorough exposure in the area of rural financing. The aim of these courses should be to develop confidence and motivation amongst existing and future bank personnel to undertake rural development activity with increasing gusto.

The following strategy regarding training system may be adopted to

help prepare a motivated banker to undertake rural development activity:

1. Individual banks should develop a written document on "Training Strategy for Rural Development". This document must contain required projections for rural development in terms of business levels and manpower requirement. It should also contain existing backlog in training in rural development. This training should also chalk out a time-bound action plan in relation to training infrastructure for rural development, necessary software, development of trainers as also potential target groups. Essential training must be linked to proper placement otherwise this would cause waste of major resources of the bank.
2. In view of various commonalities in financing and development activities as also gigantic backlog in the field of training, the banking industry would require a very large number of training establishments. Though many banks are contemplating to establish separate rural development institutes for their personnel yet we feel that rural development requires understanding of local socio-economic conditions as also understanding of human process in a particular locality. Therefore, there is a need for inter-bank collaboration in establishment of training institutions for rural development in specific areas which would greatly save the cost and duplication of efforts. For example, in a particular state, lead banks can combine to open a few training centres for a cluster of districts. This will help orienting training to specific requirements of the regions as also to undertake field studies and using such data in the curriculum. These institutions can provide training to clerks as well as officers. It is only through this approach that training of bank personnel on continuous basis can be undertaken at a low cost and at the doorstep of the developing regions.
3. Further there should be an organic linkage between various training institutions for rural development like CAB (Poona), BIRD (Lucknow), NIBM (Bombay), and NIRD (Hyderabad). These institutions should periodically undertake studies on various aspects of rural development and also provide facilities to prepare trainers for rural development. These institutions should help in developing curriculum for various categories of personnel for rural work.

METHODOLOGY

In order to quantify the leadership style, the seven statements described by Tennenbaum⁵ were rated on seven-point continuum ranging from 'always' to 'never' attributes with their respective score from seven to one. These statements and their scoring system is shown in Table 1.

Table 1 MANAGERIAL LEADERSHIP STYLE SCALE

Cadre

Department

Sl. No.	Statements	A 7	Q 6	O 5	N 4	S 3	R 2	N 1
1.	He makes a decision and announces it.							
2.	He sells his decisions.							
3.	He presents his ideas and invites questions.							
4.	He presents a tentative decision subject to change.							
5.	He presents the problem, gets suggestions, and makes decisions.							
6.	He defines the limits and asks others to make decisions.							
7.	He permits the subordinates to function within limits defined by the superiors.							

A = Always

Q = Quite often

O = Often

N = Normally

S = Seldom

R = Rarely

N = Never

Note: Indicate the way your 'Boss' leads. Put up a tickmark for all the seven statements in any one column of the seven answer attributes.

Firstly, the average score of each of the seven statements was worked out by adding the ratings of all the respondents groupwise and dividing by the number of respondents who rated the questionnaire. Secondly, these average scores of all the seven statements were summed up vertically and divided by the number of statements. This resulted in the overall average score which indicated the exact location on the ascending vertical seven-point leadership scale ranging from most democratic score to most authoritarian score of managerial leadership. The scale value thus obtained was taken to describe managerial leadership style.

The study was conducted in two scientific organisations, one representing agricultural universities and another ICAR institutes, i.e., Punjab Agricultural University, Ludhiana, and National Dairy Research Institute, Karnal, respectively. Investigation included three different management hierarchies through which leadership style was studied. These were: (1) upper management group (deans and directors), (2) middle management group (heads of the departments), and (3) lower management group (sectional/cell incharge).

These three levels of management were considered relevant for the study with a view to knowing which hierarchical level was more effective while dealing with the subordinates. Data were collected during 1983 from 125 respondents who were asked to indicate their perception about the way their bosses lead them. In this exercise, they were further requested to tick mark all the seven statements in any one column of the seven-point 'always to never' continuum as demonstrated in Table 1. These 125 respondents were composed of three groups, i.e., middle management=18, lower management=56, and staff functionaries=51.

FINDINGS

Leadership style ranged from a maximum score of 7 which shows the autocratic style to the minimum score of 1 which shows the most democratic style of functioning. The middle point at 4 indicates the neutral type of style. The data obtained in Table 2 demonstrates that in general the scientific organisations are in the neutral state of their management style. This dilemma, however, was more prominent in agriculture university. The ICAR institute was more leaning towards autocratic style.

The results in Table 2 further show that higher the status in administrative hierarchy, greater the amount of autocratic style. The deans and directors were, therefore, more autocratic in their behaviour as compared to the heads of department. Similarly, heads of department were more autocratic than the sectional incharges.

Table 2 COMPARATIVE ANALYSIS OF MANAGERIAL LEADERSHIP ON SEVEN-POINT MOST AUTOCRATIC TO ONE POINT MOST DEMOCRATIC CONTINUUM WITH A NEUTRAL POINT AT FOUR

Management Style of	As perceived by			Average
	Heads	Incharges	Staff	
1. Dean and Directors	4.15	5.28	4.85	4.76
2. Heads of Departments	-	4.13	4.20	4.16
3. Sectional/Cell Incharges	-	-	3.45	3.45
Grand Average				4.12

The internal data of this study further revealed that the ICAR institute was comparatively more vested with authoritarian tendency as compared to agricultural university. This trend was, however, more pronounced in upper management hierarchies. These findings give a clear-cut hint that managerial leadership in scientific organisations are relatively more conscious of their status while making decisions. The concept of leadership, that a good leader is one who leads in a most congenial fashion does not hold true in this study. The findings, therefore, reveal that the decision by the leader is made without giving opportunities to share with the lower functionaries of the organisations.

An in-depth study was further made in respect of all the lower hierarchies of the organisation with a view to finding out their relative style of functioning. The findings as given in Table 2 reveal that heads of department perceived the deans and directors as slightly autocratic but not as much as perceived by the sectional incharges and other staff functionaries. It means the personnel in upper management cadre do not care for the subordinates while dealing with the issues pertaining to them. They took decisions and asked lower cadre functionaries to comply with these, unmindful of the consequences. This is a somewhat disturbing state of affairs in our scientific community.

It is further interesting to note that the deans and directors are more autocratic with lower cadre functionaries as compared to immediate subordinates. It leads to a striking inference that lesser the interaction, greater are the chances of authoritarian tendency of the supervisors with their subordinates.

As regards leadership style of the heads of the department, data in Table 2 reveals that they were almost in neutral state of their

management style. They were neither excessive in their misdeeds nor liberal in their approach. They were normally found to have a tendency of making decisions subject to change based on ideas and suggestions of the subordinates. This is a somewhat tolerable climate. Lower management group was the only hierarchy which was found to have a tendency of democratic style. They were, therefore, more receptive and congenial in their style of functioning. Before making decisions, they were found to have invited suggestions on the problems of common concern. They too, nevertheless, were not as democratic as they should have been.

Discussion

Based on the findings of this study, it is suggested that the managerial leadership, particularly in higher hierarchies, requires occupational training on organisational development (OD) so as to induce in them an element of humanitarian consideration. In a democratic state, it is neither productive nor desirable if the managerial leadership works with an authoritarian tendency. The crux of the problem, as we today face in India, about unrest and discontentment, practically in all spheres of scientific advancement, can be largely attributed to these higher ups of administrative management. It is so because they have miserably failed in dealing with the human element. They are leaning more towards their controlling ego rather than that of nurturing.

If the findings of this study are any indication, it is the leadership which is mainly responsible for any sprouting problem, which could have been otherwise controlled had it been properly dealt with by them. There are a number of studies which have amply demonstrated the fact that greater the amount of dictatorship in managerial leadership lesser the amount of productivity. Besides this, authoritarian climate also adversely affects the human relations component which has been considered a core concern of productivity in the management theories. The leaning of managerial leadership towards authoritarian tendency appears to have been an impediment in the growth of the scientific organisations. This apparently calls for some corrective measures in our top management cadres. Perhaps, top floor training in OD techniques might recede this tendency. The management grid, as suggested by Blake and Mouton⁶ is an example. Proper familiarisation of the managers of scientific organisations with these suggestions might possibly bring a change in their attitudinal approach.

In Fig. 1, leadership behaviour is plotted on the seven-point continuum ranging from heavily boss-centred to heavily subordinate-centred. On the left side of the continuum are the leaders who

delegate very little authority, preferring to make the bulk of the decisions themselves. As we progress across the continuum, delegated authority increases, the trust of the managers in subordinates goes up, and the freedom of these personnel to exercise their own initiative in work-related matters rises. On the right side of the continuum are those leaders who delegate a great deal of authority to their subordinates. This figure, therefore, illustrates that lesser the authority in the leader, greater is the freedom to the subordinates. Inversely, greater the authority in the leader, lesser is the freedom to the subordinates.

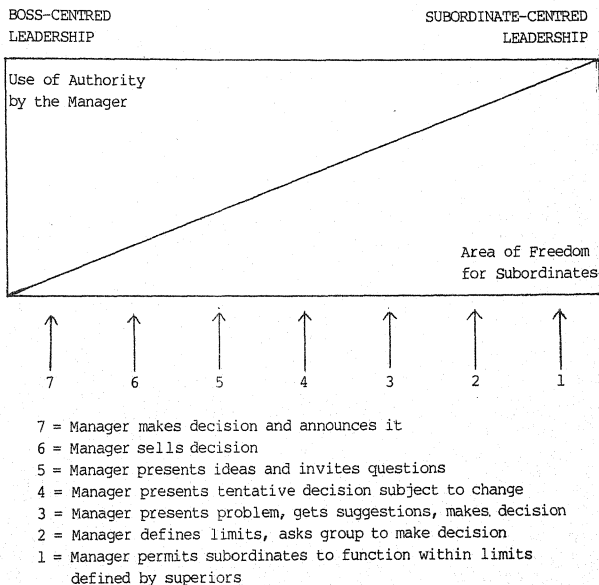


Fig. 1 CONTINUUM OF LEADERSHIP STYLE

The data of the study presented in Table 2 shows that upper and middle managerial leadership in scientific organisations is still boss-centred. The academic freedom appears to have been very limited

to the scientific workers. The leaders are power hungry, authoritative in their attitude, and less concerned with having a human relations approach in their dealings with their subordinates.

By and large, the findings of this study conclude that the leadership at higher levels of administrative management is authoritative in nature. They make decisions and sell them to lower cadre functionaries without giving them much opportunities of sharing their views even in the matters of their interest. This indeed is against the administrative ethos.

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Provincial Administration of Ottomans, with Reference to Iraq.

ABIDA SAMIUDDIN

THE OTTOMAN concept of structure of state and society, of production and exploitation of wealth for supporting the ruler and the state, and securing justice by the ruler for the subjects, appears to be derived from the traditional Middle-Eastern concept developed by Sassanids and introduced to the Islamic Middle-Eastern civilisation by Persian bureaucrats during the Abbasid period.¹

The ruling institutions of Ottomans, apart from the Sultan himself, included the officers of his household, the executive officers of his government as well as the entire body of the army--standing and feudal, and the navy.

Since the central institutions of the ruling class were also extended throughout the empire at different levels of administration--provincial, district and local--it would not be out of context to consider first the basic structure of these institutions at the central level.

Ruling Class

With the expansion of the empire, the Sultans followed the practice of making "periodic levies of the unmarried male children of their orthodox Christian subjects taking them from their parents between the ages of ten and twenty, reducing them to the status of slaves and training them for the service of the state....But their servitude carried with it scarcely any social inferiority".²

These members of the ruling class, known as Ottomans, had to "(1) accept and practise the religion of Islam and the entire system of thought and action that was an integral part to it, (2) be loyal to the state, established to carry out his sovereign duties and exploit its revenues, and (3) know and practise the complicated system of customs, behaviour and language forming the Ottoman way. Any person could rise to the ruling class by acquiring and practising these attributes, while children of the ruling class lacking these qualifications could be reduced to the subject class. Thus existed a

system of social mobility based on the possession of certain definable and attainable attributes" ³

Imperial Council

The most important central institution was Imperial Council, which till late seventeenth century was the main central organ of Ottoman administration. It consisted of four categories of the ruling class, vazirs, the scribes or men of the pen, incharge of correspondence and administration, military men, and the ulema.

Ilmia, the religious and cultural organisation of ulema was the only institution of the ruling class able to compete with scribes. Their right to declare any administrative action invalid gave them substantial power in the day-to-day administration. All the bureaucrats, apart from their professional training, had to receive training in the traditional Islamic field of knowledge, literature, history, geography and the religious sciences. The ulema had a profound influence on the administration. Sometimes they also sent their own men to serve the scribal institutions; the transfer between the two was quite frequent and their relationship was so close that both of them bore the title of Effendi. "Their monopoly of education gave them a hold over the minds of the masses as well as many members of the ruling class. Their ability to bring thousands of students into the street gave the Ulema an instrument of force second only to that of the Janissary corps." ⁴

Imperial Treasury

Hazin-e-Amire was responsible for finance and accounting.

The Ottoman tax system, like its laws, was divided between the taxes authorised by the Islamic Law Seriat and the taxes covered by the 'Sovereign prerogative'.

The ruling class was created and maintained by the Sultan primarily to collect these taxes, which was considered as the basic attribute to sovereignty.

Military Institutions

The most important part of the army was its infantry, the Janissary corps, all 'Kapikulari' - the Sultan's slaves. "They were supposed to maintain themselves on a war footing at all times and be ready for instant action. Because of their organisation, training, and discipline as well as their expert use of picks, bows and arrows, they formed the most important fighting force in the Empire until well into the seventeenth century." ⁵ Basically founded as a body-guard corp of the Sultan, but as the corp increased in size, most of them were posted to provincial garrisons, where they were subjected

to the command of local governors.

BASIC FRAMEWORK OF PROVINCIAL ADMINISTRATION

The basic unit of provincial government in the Ottoman empire was Sanjaq-'Liva' in arabic. Inherited from the Saljuks, it meant literally, the 'banner' of the ruler or administrator in possession of all military and civil functions and powers. It was in the beginning of the 16th century that 'Villayat' became the standard term for province and 'Vali' for the governor. The governor bore the title of Pasha and combined in himself both the military and civil functions. Officials to assist him were appointed from Istanbul and initially functioned under his complete control, but later on were made more independent with a view to balancing his power. In most provinces, correspondence and records were handled by Divan Effendis (council secretary) and 'Mal Defterdari' (treasurer) took care of provincial revenues. The provincial Kadi(Judge) supervised judicial and legal matters. Each province was divided into sanjags which, in turn, were divided into districts (Kazas) towns and villages.

Provincial Tax System

From the 16th century onwards, we find two different types of Ottoman provinces. In the territories under their direct rule, the Ottoman established the old Saljuk 'Ikta' system. "Portions of the conquered territories were cut out into 'Mukataas' to which the name 'Timar' (Fief) was given. The Timars were then assigned to the Ottoman military commanders as rewards for their service and also to make them governors of the new districts. Apart from their administrative duties, Timar holders had to feed, train and supply soldiers to the army when needed, with the state treasury thus being relieved of this obligation as well".⁶

In older Timar provinces, all the revenues were given to the governor as a Tax. Governors had to deliver fixed annual sums to the central treasury and were allowed to keep the balance of the tax collection as their personal profit, in addition to regular salaries paid to them from the central treasury. In Tax Farm provinces, most of the duties of security, tax assessment and collection were arranged by government officials. So in theory, the Governors authority was not all-embracing.

The extension of Ottoman rule over Mesopotamia, the land of the old caliphate was completed in 1538; and subsequently the regular Ottoman administrative and tax system was established in the newly conquered territory.

Ayalet System In Iraq

For administrative purposes, the Ottomans first applied the system of 'Ayalets' in Iraq. The country was divided into four Ayalets of Baghdad, Basra, Mosul and Shehrizor. They, in turn, were divided into Sanjaqs and the Sanjaqs into Kazas. The Ayalets were governed by a Beglerbeg. His appointment to such an important province as Baghdad was highly prestigious and profitable. In theory, the appointment was annual, "but in practice the highest officers sometimes could not be displaced; some were too loyal and valuable, some had bought a longer term. The last was the dominant consideration".⁷

The Sanjaqs were headed by a Sanjaq beg and the 'Kazas' were administered by a Subusi (police chief). The individual Timar holders performed all the duties of local administration, making sure that the land was cultivated and that the merchants were engaged in trade and commerce so that taxable revenues were produced; they were also responsible for assessing, levying and collecting taxes and keeping order and security.⁸ In each Sanjaq, Kazi, with the help of Subusi, took care of municipal and local administration. Thus, both the religious and military elements cooperated to rule and enforce justice.

The administrative officials were of two kinds: (a) appointed directly from Istanbul--they were Daftardars, responsible for financial administration of the Ayalet, and (b) appointed by Beglerbeg--they were his Timar lieutenants (Kethuda), his chief writer (Divan Effendi), his treasurer (Hazindar) and his seal bearer (Muhurdar). The local population of Ayalet also participated in its administration through their representatives - the 'Ayan'. The Ottomans followed a policy of non-interference in the internal affairs of Kurdish tribes and emirates in the North and Badvin Arabs. In the South, Janissaries (Imperial infantry), posted in each Sanjaq, also helped to run administration. To the Iraqis their drills and arms made them formidable, while their quarrelsome oppression made them hated. Their function in the province was to enforce government. They were the town police, the official messengers, the tax collectors, where the force or fear were required and a ubiquitous regular army".⁹

The type of Ottoman administration was a rigid pattern of bureaucracy throughout the Empire. All the top positions were strictly reserved for Ottoman people without any consideration of merit. Personnel were governed mostly through religious regulations issued by the Sultan, who along with his governors held the political power besides the centralised authority of the government administration.

It was in 1704, during the rule of Sultan Hasan Pasha in Baghdad that a faint line of differentiation between public and private

officials began to exist. The Sultan introduced certain kinds of grades of servants, such as treasurers and the storemen, and arranged them into chambers which looked like departments. Sons of Turkish officials in Iraq and some famous Iraqis were given training and then recruited in those chambers. Facilities were also provided for their promotion and transfer within the chambers.¹⁰

In 1750, Sulaiman Pasha formed a small fighting group of 200 boys who, after being trained under his supervision, were employed as writers, collectors as well as commanders on his own staff. That was the emergence of public officers in Iraq.¹¹

The central government issued orders to recruit personnel for top management posts, such as governors and Divan officials. Governors, in their turn, selected candidates whom they trusted for vacant posts. Nepotism, favouritism, bribes and sale of government posts was quite common. The civil servants during this period were inefficient, poorly trained and their salaries were fixed according to the amount of taxation that the officials and governors could get from their subjects.¹²

As the government of the Empire was an autocratic monarchy, the government of each province was absolute.

S.H. Longrigg observed: "Provincial administration in fact was in a transitional state between its origin as a fief group and its later place as a devolved government."¹³

The Ottomans comparatively found Iraq a most difficult and expensive province to administer, primarily because of religious animosities, tribal resistance to authority and its frontier's position. As the Ottoman state fell into decline, it became very difficult to control course of events in such a distant province as Iraq from Istanbul.

REFORM OF PROVINCIAL ADMINISTRATION DURING NINETEENTH CENTURY

A study of later administrative developments in Iraq under the Ottomans is not possible without a brief assessment of the Ottoman reforms at the central level known as Tanzimat because of the two obvious reasons.

In the first place, as observed by Holt, Iraq in contrast to Syria and Egypt was fully integrated with the Ottoman Empire for about four centuries.¹⁴ In the second place, the history of modern Iraq, specially its administration is actually largely affected by what is still considered, "a successful reform" "Mahat Pasha".¹⁵

It was probably a weakness of the Ottoman polity that the line of succession (Hukkam) and the line of authority (yas) was very sharply drawn. The practical outcome of this was the universal

substitution of monetary standard for the old standard of efficiency. Therefore, it was not surprising that by the middle of the eighteenth century, the system witnessed alarming symptoms of breakdown. Consequently, during the nineteenth century, inspired by the increasing knowledge of European thought, the Ottoman Empire witnessed a sustained effort of reform. It had become an Ottoman practice by this century to copy one western institution after another. As a result, knowledge of western language and acquaintance with Europeans became an important *de facto* qualification for high bureaucratic offices.¹⁶ Salim III and Mehmed II tried to refashion the administrative structure and military forces of the Empire on European lines.

The era of modern Ottoman reforms (Tanzimat) starts from the reign of Mehmed II (1808-1839). He laid the foundation during his last period of a process of continuous reforms, the work was extended by his sons, Abdul Majid I (1839-1861) and Abdul Aziz (1861-1876) assisted by the reformist bureaucrats the 'men of Tanzimat', such as Mustafa Rashid Pasha, Ali Pasha, Fuat Pasha, etc.

"Mehmed's desire of increased centralisation necessitated structural changes in the central government generally involving denigration of the military and the religious classes in favour of an ever expanding bureaucracy of administrators and scribes centred in the palace and the Sublimeport."¹⁷

Consequently, long preserved traditional institutions of Ottoman state and society were replaced by new ones. A new westernised bureaucracy replaced the old ruling class. This new bureaucracy extended its power over classical autonomous socio-economic and religious groups of Ottoman society. A highly complex centralised system of government resulted in a sovereign autocracy unparalleled in the history of that period.

In order to understand the new forces of change, one has to keep in mind that throughout the history of Middle East, control of land has been a fundamental factor that played a key role in determining the socio-political framework of the Empire. The specific structural changes in the Ottoman Empire after the middle of the sixteenth century stemmed from the slow disintegration of the state land system which was basic to both economic and social organisations.¹⁸

The decline in the state revenues in a period characterised by increasing need for revenues, because of the challenges from the external forces, was one of the key internal factors, which compelled the government to initiate far-reaching measures in order to assert its own supremacy. These measures eventually culminated in the adoption of a modern form of centralisation, which was the major political force of modernisation.¹⁹

Shah and Shah observed: "The Tanzimat created a centralised

government based on a new ruling class, the bureaucrats, now called 'memurs'. This class constituted a modern generation of Ottomans that sustained the tempo of modernisation, mainly oblivious to or even in spite of the waves of political and military crises that hit the Empire during much of the century.²⁰

The emergence of this new social set of the Ottoman bureaucracy was characterised by its practical knowledge of European affairs and its complete control over the government policy. This new elite had certain common values—"belief in the Empire, belief in modern civilisation, a certain interpretation of the strength of Europe in terms of justice, rationality and efficiency". Most of these bureaucrats belonged to families with a long tradition of public service.²¹

These bureaucrats had no small influence on determining the succession to the throne. It is, therefore, not surprising that they were behind the uprising which brought Mehmed II to power after the first reform when Sultan Salim was removed by the Janissaries.²² This was a prelude to a bond of cooperation between the two, ignoring the ulema and the nobility. Since then, the power of bureaucrats increased or declined with weak or strong Sultans. It made them realise the necessity of a modern type of personnel, on the one hand and elimination or weakening of the bureaucrat's rival, on the other.

Consequently, the Janissaries were disbanded in 1826, paving the way for establishing a new standing army. For their survival, the rulers had to augment the development of weapons and military institutions. This, in turn, accentuated the power of bureaucracy which alone could mobilise the resources for this purpose.

New secular law codes and courts were gradually introduced in order to weaken the power of the ulema. Efforts were made to secularise the education. However, "the reform measures received to some extent the support of the upper layer of Ulema, in the hope of restoring their own institutions threatened by internal decay. In the provinces, the development took a different course. Closely associated with the decline of Ottoman government at the local level, ulema rose as the principal administrators of the Empire. Only the ulema had the empirewide organisation of judicial districts, kazas, manned by Kadis and Naips, able to assume the duties of the agents of the imperial and financial classes".²³

For the notables, first the reformers destroyed the upper layer of Ayan, without endangering their economic and social basis, and later tried to make them adjust with the requirements of the new system. Nevertheless, the process again exhibited itself in a different manner in the provinces. In the capital, the main object of the reformers was to limit the powers of the notables in order to strengthen the government. In Iraqi provinces, a kind of balance was

achieved by allowing the local families to administer their local affairs during the indirect rule of Mumluks. A significant swing in favour of government took place only towards the end of the 19th century, though it was not the end of the local power of notables.²⁴

The destruction of Janissaries, weakening the influence of ulemas, besides the absence of other groups of army and notables from the political scene at Istanbul, left bureaucracy as the only powerful group to determine the directions of reform, its nature and characteristics. Consequently, it was the institution which largely benefited from the new arrangements.

Reform Of Provincial Administration

While introducing the reforms at the provincial level, the reformers had three objectives in mind: (1) substitution of Ottomanisation as an ideology to counter nationalism; (2) limiting the power of Ottoman autocracy, and (3) reform in provincial administration. In respect of reform in provincial administration, the reformers, throughout the period of Tanzimat had to face a dilemma--how to maintain centralised control over the farflung Empire, while allowing sufficient latitude and authority to local officials, so that administration might be efficient and expeditious.²⁵ Consequently, the provincial administrative system underwent three different stages of development.

At first, the powers of the provincial governors were weakened by giving most of their functions to officials sent by and responsible to Istanbul. Later, the state tried to operate through the governors, restoring their powers while extending control over them in other ways. The final solution was a combination of these, with the provincial government being a small scale reflection of the central administrative structure, but with controls to assure the ultimate authority of Istanbul.²⁶

In January 1860, efforts were made to accelerate the provincial reforms. In order to have capable Tanzimat administrators to the more important provinces, the status of these governorships was changed to that of 'Mutasarriflik', a term once used at the district level, but with higher salaries than those provided to the regular governors. Governor's power over provincial financial activities increased with the abolition of the independent treasurers and scribes sent from Istanbul and their replacement by accountants to assist the governors. After hearing of Midhat Pasha's success in applying the Tanzimat (Villayat) system in Nis, 1861, Fuat Pasha invited him to Istanbul for consultation. The result was the promulgation of the provincial reform law of 1864, which introduced a new era in Ottoman provincial life, remaining the basis for government

outside Istanbul until the end of the Empire.

PROVINCIAL REFORMS AND IRAQ

The history of administration in Iraq is the record of partial application of the various comparatively liberal ordinances of the contemporary central government. The reforms which clearly substituted a western, for a Turkish concept of government, penetrated slowly into Iraq. There the Mamulks were too strong for the Ottomans to rule directly.

But the reforms being introduced at Istanbul foreshadowed the end of Mamulks regime in Iraq. Mehmed II sent Ali Ridha Pasha to complete the mission in 1831, when Dau'd Pasha was deposed, and Iraq entered a new phase of its history.

Villayat System and Its Application in Iraq

The first modern attempt to introduce important administrative reforms was made by Midhat Pasha through introducing Villayat system in Iraq. He was appointed Governor of Baghdad in 1869, to succeed Taqil Din Pasha and is rightly said to be the founder of modern Iraq. The Villayat system was closely modelled after the French 'Prefect' system he had already experimented on Danube.²⁷ Its main object was to make the administrative system more equitable as well as stronger.

Two basic changes were introduced through the Villayat system. Provincial boundaries were redrawn to make larger units and each was, subdivided hierarchically; the new administrative arrangement survived with little changes till 1914. The new large provincial units (Villayat), approximately equal in size, replaced the older historic Ayalets. Each Villayat was governed by one Vali (Governor), responsible directly to Istanbul. The scope of his authority was also widened. He was to supervise the socio-political and security affairs of the villayet, and was made responsible for the execution of laws. He exercised direct control over the activities of his immediate subordinates in the administrative hierarchy. As the representative of Sultan, he dealt with heads of local communities, foreign councils and the tribals. His control extended over the general and non-departmental administration. He "directed the Municipalities, settled tribal disputes, which defied settlement, heard multifarious grievances and through the Daftardar influenced or controlled the all important fields of land revenue."²⁸ All such measures of public interest as education and communication were entrusted to him. He was empowered to convene the local councils at a time fixed by him to receive their recommendations and implement those falling within his jurisdiction. The New Provincial Law authorised him to supervise the

collection of taxes as well as the behaviour of tax-collectors. Such administrative departments and their bureaucratic functions as accountants, director of foreign affairs, public works supervisor and inspector judge were associated with the Governor, though these functionaries were appointed and were responsible directly to their supervisors in the capital. An Administrative Assembly (Idare Meclisi) coordinated the activities of different departments. It consisted of the Governor, departmental heads and six other representative members (three Muslims and three non-Muslims), elected from among the inhabitants. The Assembly was specifically forbidden to interfere with judicial affairs. This was a consolation for ulemas, apprehensive of the increasing impact of secularisation.²⁹

The New Provincial Law also defined in clear terms the administrative relationship of the parts to the whole. Each province was divided into a number of districts (Sanjaq) or Liva. Each Sanjaq was placed under a Mutasarrif, responsible to the Governor. Iraq was considered as one Villayat, subdivided into 17 Sanjaqs. Further subdivision, Qadhas and Nahiyas were placed under the Qaimmaqam and Mudir respectively.

Every town and village was graded according to the importance of its district. At each 'level', a fixed cadre of officials performed defined duties, and at each level an elected council assisted the administrative head. These councils, composed partly of officials and partly of elected members, included representatives of Christian and Jewish communities, with the object of introducing the elective representative principle into the functioning of local government, a progressive measure unknown in the capital.

It was under Midhat's inspiration that the "Villayat Provincial System of 1864 was incorporated with provincial, district, and country representative, councils, performing the duty of debating on subjects of public utility, such as establishment of means of communication, organisation of agricultural interests, development of trade, commerce and agriculture and extension of public education, as well as lodging complaints and gaining redress for acts committed in violation of the law".³⁰

In the tribal affairs of the Villayat, Midhat followed a new policy of settlement.

As mentioned earlier, no study of administrative development in the Middle East can be completed without taking into consideration the problem of land. Land in Iraq had been subjected to many claims. Dau'd Pasha and Ali Riza bestowed estates freely. Sale and purchase of state land went on for generations without the knowledge and recognition of government. The absence of definite rights hampered the agrarian improvement. The conscious aims of Midhat's policy

of settlement were detachment of Shaikhs from their tribal setting, breaking the power of the great tribes and winning their loyalty, multiplication of ploughs and providing safety to the roads. The new settlement policy provided selling of great or small tracts of state land on easy payment, giving full security of tenure (though not actual ownership) to holders of the doubtfully valid farmans and to farmers and villagers who had cleaned a canal and planted a garden and to Shaikhs of tribes for their tribal areas.³¹ For this purpose, Tapu (land registry) offices were opened and the occupation of state owned land was secured to individual holders. The policy achieved a limited success, primarily because of two major difficulties : (a) ignorance and incompetence of the Tapu officials as well as absence of maps and surveyors, and (b) a poor response from those for whose benefit it was introduced. The two lines of tribal policy settlement of the land and Ottomanisation proved damaging to the tribal spirit.

I quote at some length in following paras the other details provided by Longrigg in his **Four Centuries of Modern Iraq**:

The tribes of the lower Tigris were considerably checked because of the steam boats. Carrying of arms was universal, yet numerous police posts along the routes made travelling quite safe. Tribal wars were also reduced to a considerable extent and means to meet this threat were improved. The **Nidham Jadid** of Mehmud II was modified after the Russian wars of 1854 and 1879 and was remodelled on the continental territorial system in 1885. Public order was maintained by regular and reserve forces of the army, by gendarmes, and fleet at Basra.

The customs, a main source of revenue, were represented at all places, on sea or land frontiers by the most corrupt Gumruk officials. The other two revenue sources were taxes on live stock and land revenue, the officials of which worked at every government headquarters. Methods of assessment were many, such as estimation of crops, counting of trees and water lifts, farming of whole estate, bargaining for lump sum demands, etc.

Education had little to show, yet because of Midhat Pasha's efforts there was an increase from nearly half per cent in 1850 to five to ten per cent by 1900. The highest literacy rate was among the christians and jews in towns. Use of Turkish as medium of instruction identified education with the official class.

For communication, after Turkey participated in the Paris Postal Convention in 1878, Turkish post offices were gradually opened, and fairly satisfied the simple needs of Iraq. Telegraph service was extended to all the major towns, opening the region to the outside world. Land transport was comparatively progressive.

Midhat also paid attention to steam navigation.

The department of Nafiah (public works) was scarcely operative in Iraq. Hindiyya Barrage was an exception. Only Baghdad had one public hospital. It was only local pressure that some time forced the administration to take up public works.

The judicial system of the period was a "compromise between the islamic simplicity and Code of Napoleon"; clumsy in application, slow in process, it was ill coded in case of old laws and ill drafted in case of the new ones. About the Auquf, Longrigg observed, "the Auquf, influential by reason of strong vested and social, religious interests, succeeded to some degree in its trusteeship of endowments, saving them at least from secular misuse, but it did not save the yearly despatch to Istanbul of surplus waqf revenues."³²

The municipal administration was the most pleasing feature of public life in Turkish Asia. Honesty of purpose and more sense of service were to be found in Baladiyyah than in the central administration. Many of these bodies were created by Midhat Pasha, the rest came into existence gradually. The Ottoman empire laid down the law of municipalities in 1877, which considered each town or district as a municipal unit. Big cities like Baghdad were divided into three or more units according to population. Each municipality had an elected council headed by a Rais Baladia. In Baghdad, he was called Al-Assima. Municipal councils were entrusted with fixing the scale of taxes, issuing by-laws, appointing local officials and approving normal expenditures. For all their decisions, councils had to take the approval of the Muttassarif. Lack of financial resources matching with their responsibilities was their main problem. The Ottoman Municipal system continued in Iraq up to 1931 when a new Municipal Law No. 84 replaced it.

Bureaucratic behaviour changed little during this period. Throughout the history of Ottoman empire, Iraqi bureaucracy enjoyed power, status and a centralised control over local affairs. It was accepted as a desirable policy mainly because of two reasons.

In the first place, it was expected that centrally sponsored reforms would stop exploitation of the masses by local land owners, and in the second place, the benefits of remaining under Ottoman protection were to be demonstrated to the centrally controlled masses, with a hope of an increase in the government revenues.³³

CONCLUSIONS

All the measures of reforms introduced by Midhat Pasha in Iraq did

not achieve the desired ends. Apart from his short term in office, the reforms were faulty both in their conception and execution.³⁴

Division of Iraq into regional areas was primarily based on geographical and military consideration, while political and social factors were completely ignored. There were frequent changes in the status and boundaries of the units in accordance with their changing strategic position in the frontier wars.

The structural changes did not follow the necessary modification of public policy. Shortage of competent lower and middle level administrators undermined the efficiency of reforms. Employment of certain half westernised-Effendis did not result in an improvement of administration. The Porte did try to train the public officials below the rank of the Governor in a school established for this purpose in 1859. But the 'fathers of Tanzimat' were unable to realise that the men brought up in old relationship, determined by status and easily influenced by money, could hardly produce a new style, honest and efficient civil service. Most of the values of traditional elite still dominated thinking of the new ones, as the "Social structures of the societies were scarcely altered".³⁵ Many of the reformers themselves were children of the old ruling class and had a high respect for kingship.

In pursuance to his Policy of Settlement, Midhat applied to Iraq the Ottoman land Reform law of 1858. The new system of land holding, worked against the interests of actual cultivators, and resulted in the emergence of a new type of local landlords replacing the old chiefs. They not only used this power to accumulate wealth but also threw their influence against the reforms that threatened their privileges and their role as the intermediary between the state and the citizens. The new system of land registration proved ineffective to change the conditions. "In unsurveyed agricultural lands, largely in immemorial tribal possession and far from conforming to the official view that uncultivated state lands were at government's disposal, the 'Tapu system' could do little, save create new disputes, bestow rights on parties, powerless to exercise them and destroy the best elements in the shaikh-tribesman relationship".³⁶

The system of councils too "did not prove sufficiently effective as the government was never really able to achieve representative institutions".³⁷

After a detailed and careful evaluation of the reforms, in general, it can be easily concluded that the process of administrative development in the Middle East failed to initiate the process of modernisation. The process of modernisation or socio-economic development, can only be successfully initiated if in the first place, political system has the strength to promote socio-economic reforms

through state action and in the second place, it has the capacity to assimilate in itself the social forces produced by modernisation, but the "Father of Tanzimat" could not commit himself to more than reforms.³⁸ They lacked both, commitment to modernisation as well as its specific requirements. The elimination of traditional interest requires indeed a mobilisation of new social forces into politics. The Ottoman Empire had never witnessed this process before or during the Tanzimat.³⁹ The absence of entrepreneur middle class, and consequently, absence of its role in the process of innovation and modernisation was the key factor responsible for an entirely different course of development in the Ottoman Empire.

Lack of diversity of groups and institutions produced a highly centralised hierarchy of civil servants replacing the old centralised bureaucracy.

Movement of reform and change was initiated within this class itself because, in turn, it gave initiative, power and a high status to it. "The bureaucrats became reformers, because reform furthered centralisation which increased the strength of the bureaucracy."⁴⁰ It worked constantly 'to maximise' its own benefits and was successful in weakening or eliminating the old rivals and preventing the new ones from acquiring access to power. The two main directions of this change were: (a) a strong bureaucratic self-interest in socio-economic and political matters, and (b) a service commitment to the rulers. The close ties of the bureaucrats with the Sultan made them conservative when they gained power. On the other hand, their westernised education alienated them from the masses.

However, in spite of all these shortcomings, while reviewing the government and administration in Iraq at the beginning of the twentieth century, it can rightly be concluded: "the measures of reform and improvements between 1813 and 1914", though, "must indeed be judged as belated and inadequate", and "the Iraq of 1900 differed little from that of 1500, yet a process of fundamental change had begun, which no regime however inept, could reverse".⁴¹

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Hindu Concept of Ecology and the Environmental Crisis*

MALATI J. SHENDGE

THIS IS a short article written by a team of three scholars representing two disciplines, viz., political science and Sanskrit studies. One can easily guess the division of labour. The Sanskritists have supplied Sanskrit material alongwith translations and conception, interpretation, and the final form were probably supplied by the first author. Obviously this makes an interdisciplinary team. It is necessary in such a team that each participating member, with a base in a particular discipline, must be well acquainted with at least basic principles of the other. In this case, the three authors seem to have functioned separately. The result is rather curious. Perhaps none of the authors has intimate knowledge of human ecology as a discipline. The coordinator is not well versed or even familiar with Indology which he ought to be if he is to do justice to Sanskrit material.

What the authors have tried to do is that beginning with the concept of God and creation which they say is non-dual in Hindu sources, and the creation as not being solely for the use of man as in the Judaeo-Christian tradition, they outline Vedic and later theories of creation and refer to some of the exhortations about the conservation of flora and fauna, maintenance of cleanliness of the surroundings and the sources of water supply like rivers, ponds, etc. The loss of these attitudes leading to a regardless over-exploitation of resources of the earth is attributed to 700 years of slavery under Muslim and British rules and the resultant 'cultural invasion' and so on.

The promise the authors held out in the title, viz., to demonstrate the Hindu concept of ecology is not kept in the course of the

*Article written by O.P. Dwivedi, B.N. Tiwari and R.N. Tripathy, appeared in Indian Journal of Public Administration, Vol. XXX, No. 1, January-March 1984, pp. 33-67.

article. In the introductory paragraph, 'ecology' is interpreted to be Hindu concept of nature. With this the article is derailed. The immediate purpose for undertaking this article is stated by: "The exploitation of nature in India, mostly during the 20th century has continued despite the religious injunctions emanating from Hindu religion, as well as Buddhism and Jainism. This baffles us specially when all the Hindu scriptures, ... have very clearly laid down rationale for practising conservation of nature and maintaining environmental harmony, and have prescribed religious sanctions against any indiscriminate use of nature and exploitation of animals or other species. This impelled us to undertake research on the Hindu concept of nature and the emergence of the present attitude of disregard and disrespect towards it" (p. 33, emphasis added). If the authors were thinking about Hindu concept of nature, they should have stuck to it in the title too. The real problem in the whole of the article is the use of the term ecology in certain contexts in most of which it is not called for through the contents. This is because the authors really had nature in their mind. As a matter of fact, the special concerns of human ecology are not found clearly defined here. Likewise, the Sanskrit sources cited cannot be said to explain any way the Hindu concept of ecology.

In order to demonstrate the Hindu concept of ecology we must closely scrutinise the present article in the light of the following (Greek word *oikos* Drhouse, from which ecology, meaning the science of settlement, is derived): "A human settlement is, of course, a dynamic system and its integrity requires an input and outflow of energy and an organised circulation within and through the system of numerous material."¹ Knowledge of the patterns of energy flow and of the patterns of flow of important substances is essential for the proper understanding of the multiple subtle interrelationships in the system. The dynamism of any ecosystem is the consequence of processes taking place within the system. Thus, in describing the place of a population in a natural ecosystem, one is concerned not only with its numbers, distribution and biomass, but also with what the population and its members do. Further, "an important challenge in the ecological study of human settlement systems is to attempt to recognise significant interrelationships between the findings at the level of the system and those at the population level."²

We examine the contents of the article in the light of these two citations : The view of creation that we get in the citations is that of the creation of the universe as a whole primarily. It does not deal with the creation of things on the earth. The so-called processes of evolution (pp. 39 and 40) do not deserve the name of evolution as they indicate mere sequences. The relevance of creation

of universe to man's activities on the earth and specially to the settlements is not mentioned anywhere: Can there be any thing like that? Even the creation of the five elements is practically on the same level. Before passing on to the next point, from the process of creation and evolution, from the Self of the animate world as described in the Brihadaranyakopanishad (I.4.1, 3-5 and not Fourth Brahmana, 1,3,4,5) is concluded: "no one single species is superior to another because all have been created by the same Self (it is not only by the same Self but from the same Self), which is neither warranted nor implied in the text itself. The next point immediately follows the above citation on p. 40 and it says: "On the other hand man is particularly obliged to be the protector and guardian of all the *Srishti*". In support of this, the Aitareyapanishad is cited. The translation contains some inaccuracies. If we follow the citation, we know that the *lokapala*'s (due to this term man is said to be the guardian and protector of all the creation) are the devatas, god-heads,³ and not man or mankind. The conclusion drawn from this, viz., "the man according to Upanishads, is not given absolute right, authority, and dominion on any of the God's creation" (p. 41) does not flow from this and in fact sounds quite alien to the way of thinking as reflected in this genre of literature. It seems to us that these problems are due to the unfamiliarity of the authors with the mode of interpretation of texts prevalent in Indology.

It is true that the Vedic literature is replete with references to nature. The concern of the poets with creation is generally classified as cosmogonic, pertaining to the creation of universe. Vedic scholars know many such poems and accounts in Rigveda. The Rigvedic poems preserve in them a rich tradition of a religion which originated in nature and which later developed into a philosophico-religious ideology, finally emanating from the forces of nature, on another level became embodied by functionaries of a government.⁴ Perhaps this well illustrates a process in which natural forces conceive into an ideological system ultimately taking the form of a political system. (It is not certain if ecologists will classify this as an ecological fact as the natural forces are used in energy and materials form but they could belong to a 'superstructure', in a very crucial aspect. But be it as it May!) However, this concern of early man with nature as seen by them need not be mistaken for 'ecology' in the modern sense of the term as they (i.e., the authors) fail to clearly pin-point the exploitation of immediate sources of energy materials by man for his every day life.

It is true that man has been, especially in the earlier millennia, closer to nature. This concern of Indian man with nature or with specific problems, like the creation of universe or the animate and

inanimate, etc., is on a level different than what is meant as 'ecology'. The latter, as it is defined, concerns itself with the "interrelation between living organisms and their environment, systematically exploring and determining the complex interacting systems upon which the organism's survival depends."⁵ To call the cosmogonic and other poems of Rigveda 'ecology' is to oversimplify the concept of ecology and, on the other hand, also to degrade some of the magnificent poetic compositions from a different age and representing a different value system. Both ways we are losers. Thus, the first section covering about half the length of the article does not contribute anything to the demonstration of an interaction between man and his actual environment.

It is true, Hindus are kind to animals; it is true that they have accorded a high status to some of the animals as the vehicles (vahana) for deities; it is true that they are partial to cow (and bullock too). But these attitudes are a product of culture which itself is a product of different circumstances and thinking. And the ecologists, while counting culture as a factor, do not think that it can have impact on the system or on the components of the system, except through agency.⁶ (I do think this is a doubtful proposal, especially in the Indian context.)

Sections 2 and 3 have some marginal bearing on the use of natural sources, used commonly by man and exhortations within religious framework. These are of a very elementary nature, basic to every culture worth the name. They do not involve any special ecological considerations. Once again, it does not enlighten us on any of the intricate problems faced by the Indian man in procuring water for the multiple uses or in maintaining its purity. They may at best indicate a traditional, religion-oriented society's awareness of certain problems and its devising of means within the existing socio-religious system to fight them.

It must be remembered that the present-day ecological concerns have arisen from the multifarious problems of industrial and technological development, the philosophy of materialism, the ideal of consumer society thriving on the maximum consumption and of affluence, the depleting of the natural resources or their careless exploitation and so on. Basically, these were not the conditions, problems or the underlying values of the Indian society of ancient days. The exhortation for maintenance of purity of water resources, etc., did not imply pollution with high risk to health and life of man as is through the chemical waste of the industries, for example. This difference and the resultant problems are not clearly demarcated. While applying the new concepts to old material, certain caution needs to be observed on account of the millennia separating

the two different societies and equally different problems. The tremendous changes brought over by industrialisation in the world were non-existent even in the last century and are a totally new phenomenon. The difference can be tellingly pointed out by one single attitude : Now we are talking about the eradication of poverty but the ancient society's ideal was voluntary poverty, simple living, and reduction of wants to the minimum. These ideals, when faithfully practised, served to conserve the natural resources and production.

The study of environment has come into existence out of sheer despair, viz., the problems posed by rapid depletion of natural resources, and the effect of industrialisation on man, nature and society. However, in ancient times, man noticed nature as something that surrounded him, in which there was constancy as well as change, i.e., periodicity and regularity. He wanted to penetrate into the secrets of this nature around him and find an explanation for it. He sought an existence and would have been happy if he could enlist nature's aid, at least cooperation, in his adventurous undertakings, like production of food grains, rather than their collection, (i.e., agriculture), domestication of animals, construction of shelter to retire during the furies of nature, etc. In soliciting the cooperation, he started looking on the forces of nature as something awesome which were to be propitiated, which finally led to the conception of nature gods. Out of this was born the mythology wherein the forces of nature were imagined to have personalities and were attributed all human emotions. However, it would be wrong to suppose that this was the only explanation offered by earlier cultures of nature and natural phenomenon. These cultures also concerned themselves with direct observation of nature which gave birth millennia ago to agriculture, metallurgy, mathematics, astrology, medicine, architecture, engineering, and all that is known as civilisation. The present scientific activity must trace its roots to these early beginnings.

All this is not to discourage the authors from treating the topic exhaustively and to a certain depth. Surely, the Sanskrit sources must contain the right material, because the Indians were, as we know from the Harappan cities of Harappa and Mohanjo-daro, one of the earliest people to have planned cities. But what we have here is not at all the Hindu concept of ecology but at best, the Hindu concern for nature.

Amongst the minor details which need a little attention is the transliteration of Sanskrit words in roman script. The final 'a' is omitted indiscriminately, e.g., Sanskrit पुरुष 'purusha', and not 'purush' which does not represent the exact Sanskrit spelling. This axe has fallen sometimes on 'a' appearing in between, as in 'upnishads' (p. 47, last para). The English would do with a little

editing. In such research pieces, it is extremely important that the basic data is rigorously documented. In order to be good at ecology, it is necessary that the original material be first clearly comprehended and analysed. The interpretations should not be stretched on the procrastanean bed to fit the requirements of particular topics. In order to discover anything similar to modern concerns and problems in the earlier civilisations with differing value systems, world-views, and life-styles, studies at certain depths and with an objectivity which can stand scrutiny and challenges are called for and we hope the authors will in future offer us that intellectual treat.

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BOOK REVIEWS

District Planning in India

N.R. INAMDAR and V.K. KSHIRE, Delhi, Oxford & IBH Publishing Co., 1986, p. 271, Rs. 96.00

From the very inception of planning in India, there has been emphasis on decentralised planning or planning from below. During the Fourth Five-Year Plan, the Planning Commission issued detailed instructions as to how district and block plans have to be prepared. Dantwala Committee on Block Level Planning and Hanumantha Rao Committee on District Planning have also dealt extensively with the subject. Yet the fact remains that even today planning from below has not been of much success. Our plans are top down rather than bottom up. District plans and block plans are mere disaggregation of state and national plans. The state and national plans are not aggregation of block and district plans. Hence district and block plans do not bring out how the local resources could be used for meeting the local needs.

The issue of decentralised planning is also connected with decentralisation of the administration and structure of government. This has been attempted mainly through the establishment of three-tier Panchayati Raj institutions following the recommendations of the Balwantrai Mehta Committee in 1959. Maharashtra was at the forefront in establishing Panchayati Raj structure with "real and substantial" decentralisation even going beyond the recommendations of the Balwantrai Mehta Committee. It also made serious attempts to prepare district plans.

However, the earlier expectations about decentralisation in Maharashtra were not fully realised. In the midst of seventies, reverse trends set in. Panchayati Raj institutions were by-passed in the implementation of anti-poverty programmes. With the establishment of district plan bodies outside the Panchayati Raj set-up and under the chairmanship of a minister with Collector as the Secretary, there was a decline in the role of Panchayati Raj bodies in the plan formulation process.

The study on District Planning in India by Dr. N.R. Inamdar and Shri V.K. Kshire very clearly brings this out. It is based on case study of planning in the Poona District. Two Taluqas in the District

were selected - one developed and one under-developed or with considerable tribal population. The main object of underlying establishment of Panchayati Raj institutions was to facilitate plan formulation and execution in the rural areas through elected local government institutions but with the transfer of planning function from Zila Parishad to District Collectorate, the role of Panchayati Raj institutions got eroded and they could play a minor role in plan formulation. As a result, there was hardly any scope for their detailed participation in the district planning process.

This has led to a bureaucratisation of the planning process. The sectorwise allocations in district plans are laid down by the State Planning Department in consultation with the functional department at the state level. District allocations were residual in character, arrived at after providing for statewide schemes of national and state importance. Often district wise financial allocations were made by the state government without consulting the district planning and development committee (DPDC). The requirement of prior approval of the schemes by respective state level departments only strengthened the position of the heads of technical departments. Thus, even the role of the DPDC in plan formulation was not very significant. The meetings of the DPDC were not conducted regularly. Often important developmental functionaries were absent. There was hardly any detailed discussion in the DPDC on the draft plan. There was not only absence of statistics but their non-use. People were not expected to participate in the plan formulation but only through their representatives.

The response to the questionnaire issued for the study showed that there was little understanding of the objective, methodology and other aspects of the district planning on the part of the officials and non-officials. While perspective plans were prepared in the beginning based on socio-economic surveys, the work did not proceed beyond the first phase. The Planning Committee had little time available for the tribal areas sub-plans.

All this is very disappointing from the point of view of successful decentralised planning in the country. Obviously, a great deal more needs to be done before we can make a beginning with successful district planning. Popular participation may well require establishment of a comprehensive Panchayati Raj set-up made fully responsible for local planning and development, as recommended by the CAARD Committee. Secondly, the base of local government financial resources as well as the statistical data-base of planning will have to be strengthened. Thirdly, intensive and continuous process of training of functionaries at the district level, responsible for district planning, should be undertaken. There is a need for continuous

action research in the field. A proposal was sent by the IIPA to the Planning Commission some time back to set up a Centre for Decentralised Planning in the IIPA. A Centre like this at IIPA as well as in the State Institutes of Administration could undertake an intensive programme of training and research in the field of decentralised planning which would go a long way in facilitating the process of decentralised planning in the country.

The book under review has made a significant contribution in drawing our attention to the present state of district planning in an advanced state like Maharashtra and has drawn attention to the changes that are needed so that district planning does not remain a mere concept but becomes an operational reality.

--P.R. DUBHASHI

District Development Planning—A Case Study of Two Districts

TARSEM LAL, New Delhi, Concept Publishing Company, 1986, p. 276, Rs. 180.00

India is a large country with wide variations in topography, climate, resource endowments and levels and requirements of development. The macro-level planning obviously cannot take into account effectively these local variations in conditions and requirements of developments. Planning process, therefore, needs to be decentralised within a framework of multi-level planning. The crucial level in this framework for decentralised planning is the district level. This book deals in a comprehensive manner with District Development Planning based on two case studies of Thane district in Maharashtra state and Karnal district in Haryana.

The importance of decentralised planning for the development of our country has been recognised from the beginning of the planning era. The Five-Year Plan documents have variously advocated the decentralised planning at district and block levels. The Planning Commission had also issued guidelines in 1969 for district planning and subsequently in 1979 for block level planning. However, due to lack of the required seriousness of purpose on the part of many state governments, the system of decentralised planning has not yet taken firm roots in many states. Only very few states, like Gujarat, Maharashtra, Karnataka and Uttar Pradesh, have taken some definite steps in this direction by evolving and establishing a system of district planning.

With the changes in the strategy of planning from the Fourth Five Year Plan (1969-74) onwards in terms of introduction of a large

number of beneficiary oriented and area development programmes for the alleviation of poverty and reducing regional disparities, the need for decentralised planning and decision-making has become all the more a matter of great urgency. In addition to many operational problems, one of the serious deficiencies in the effective management of these programmes has been the lack of integrated area development planning at the district level. In view of this crucial and urgent need for decentralised planning, this book is of topical interest and immense value as it contains a study of Maharashtra and Haryana in respect of arrangements and process of district planning and provides deep insights into the working of the system and gives valuable suggestions for improvement.

The essential pre-requisites for effective decentralised district level planning include political commitment, clear demarcation of scope and content of district planning, devolution of financial resources on the basis of an objective criterion, delegation of the required financial and administrative powers, establishing institutional arrangements and procedures for planning, coordination mechanisms, arrangements for popular participation, and system of monitoring and evaluation. Dr. Tarsem Lal has made an indepth critical examination of all these important issues and has made excellent suggestions for improving the institutional arrangements and process of planning covering all these aspects by drawing on both the strong points and weaknesses of the system as it has been evolved and operating in Maharashtra and Haryana states.

The book contains ten chapters: (1) Introduction, Scope and Methodology, (2) Evolution and Objectives, (3) Scope of District Planning, (4) Planning Process, (5) Resource Planning : Allocation of Grants, (6) Resource Planning: Institutional Finance, (7) Institutionalisation of Development Administration, (8) Collector as the Chief Coordinator, (9) Monitoring and Evaluation, and (10) Some Concluding Observations. Dr. Lal has thus examined all important issues and considerations relating to the philosophy and methodology of local level planning and the administrative arrangements for the same. This book is a condensed version of the recent doctoral thesis of Dr. Lal on "District Development Planning: A Study of two Districts" and is based on field research.

Objective analysis and understanding of the past and existing situation is a necessary condition for improving any system. The suggestions given in the book for improving the system of district planning arise out of such a detailed and indepth analysis. In this process, Dr. Lal has brought to bear this varied experience in administration as an IAS officer.

Dr. Lal rightly points out, "The emerging development scenario is

facing serious environmental and societal challenges, making the task of transformation ticklish. For majority of India's population, the Government means the district administration and as such centralised planning which is in vogue in India has no relevance to the backward areas and the target groups for whom the planning is being undertaken. District planning, except a few oasis, has failed to emerge as a possible alternative to centralised planning on various grounds but it must succeed to serve the majority of the people not only to banish poverty from the country but also to improve the quality of life of those who are across the poverty line and are waiting for better days. To prepare India to enter the twenty-first century with optimism and confidence, there is a need to institutionalise decentralised planning as a system on a priority basis and rejuvenate other development institutions like Panchayati Raj, local bodies, cooperative banks, etc." This book has been written by Dr. Lal with this hope and faith. He has essentially suggested strengthening of the district planning system as evolved and followed in Maharashtra. He has focused on key organisational and administrative issues in local planning and has given valuable suggestions for effective operationalisation of district development planning with a positive and constructive approach. Among other things, Dr. Lal has suggested 12 specific steps which need to be taken in proper sequence for systematic formulation of district plans.

The book thus contains valuable information, penetrating analysis and positive and workable suggestions for effective operationalisation of district level planning which is a crucial and most urgent requirement, particularly in the context of poverty alleviation programmes. It is a commendable contribution both from academic and administrative angles. The book is of topical interest and will be very useful to policy-makers, administrators and academicians. It is a valuable addition to the literature on the subject.

--M.L. SUDAN

Poverty and Hunger, Issues and Options for Food Security in Developing Countries, A World Bank Policy Study--1986,
The World Bank, Washington DC, 1986

It is well known that, on an international level, food is available in plenty and yet 700 million people in the developing world lack necessary food for an active and healthy life. The international concern for food security became evident in 1975 when there were crop failures in major food-producing countries. Commercial

purchases and assistance from the United States, no doubt, came to the rescue of the developed and developing countries but it was realised that such a situation could be used for political ends. It came to be discussed whether food security could be ensured by food self-sufficiency in each country or by having buffer stocks at international level. It also came to be realised that food self-sufficiency and food security are two different things. Food security is linked with the problem of poverty alleviation. Some of the countries drew up programmes for food security but they proved costly. The cost effectiveness of food security should be evaluated before resources are pledged as too costly a scheme would deprive other sectors of investment. This study rightly states: "There is no one optimal solution to the problem of food security any more than there is one solution to the problem of poverty".

Food security requires attack on two fronts : firstly, accelerating the growth rate in developing countries which, however, is a time-consuming process and we cannot wait for sufficient 'trickling down' of its effects; secondly, direct interventions may be necessary which can speed up food security for the groups worst affected without waiting for the general effects of long-run growth. The objective of this study is to identify cost effective ways to increase food security in the short and medium term. Cost effectiveness has been categorised into three categories--economic costs (efficiency losses and delivery cost) budget costs (delivery cost and expenditure from government's budget) and income transfers (government budget and from farmers or others). While categorising food, traded and non-traded goods have been distinguished; in the former, the international trade can, to some extent, take care of the food shortage, particularly in case of calamities like droughts and floods. In order to reduce costs, targeted interventions, as against general interventions, have to be distinguished. Food security ultimately is a problem of lack of purchasing power, which can be relieved by employment programmes and re-distributive policies. The key issues have been classified into three categories: (1) interventions to improve food security mean both costs and benefits; (2) some forms of interventions are most cost effective than others and these cost effective measures should be chosen; and (3) costs and benefits should be calculated in the context of each individual economy.

The Report considers the experience of Egypt, India and some other African countries. The food availability per capita is an inadequate criterion in assessing availability of food for the people. It is the extent of energy deficient diet and the population suffering from it, which is the correct criterion.

India has tried to ensure food security by increasing food produc

tion through support price and building up buffer stocks. Initially it proved successful but now, food production having gone up, the persistence of this mechanism is proving costly. At present, food subsidy is of the order of Rs. 1200 crore, which is likely to go up to Rs. 1800 crore. Such high cost mechanism eats into the meagre resources which could be deployed for investment in other sectors. How could its cost be reduced is a matter for consideration by the planners. In the Indian context, it seems that regional food self-sufficiency may reduce the cost of food security. The failure of food security may be gauged from the fact that 35 per cent of the population is still below the poverty line. Bringing the people above the poverty line is a gigantic task. Supply through fair price shops benefits only the organised sector (urban and rural) and people working in employment programmes. The informal sector does not benefit from this.

Finally I am tempted to agree with the conclusion of the Report:

The often-predicted Malthusian nightmare of population outstripping food production has never materialised. Instead, the world faces a narrower problem; many people do not have enough to eat, despite there being enough food for all. This is not a failure of food production, still less of agricultural technology. It is a failure to provide all people with the opportunity to secure enough food--something that is very hard to do in low income countries. The roots of the predicament range from improper macro-economic policies to the economic and political structures of local societies. The causes of food insecurity are complex and so are its remedies. The problem has been tackled successfully in some countries. This success can--and should--be repeated in many others.

The report (69 pages) is written in a lucid style and raises thought-provoking questions. It is a must for the persons interested in the problem of food security in India and abroad.

--R.S. KHANNA

Administration of Anti-Poverty Programmes, (A Study of SFDA,)
C.H.VALARAMULU, Warangal, Kakatiya School of Public
Administration, 1984, p. 220, Rs. 75.00

The experiment of Small Farmers Development Agency was first launched in the year 1971 in certain selected districts of India.

The programme was gradually enlarged to encompass marginal farmers and agricultural labourers. The present study is an empirical one and the author has collected vast amount of data, marshalled the facts and come out with a book on the subject.

The author has examined the structural framework in the minutest detail. He is particularly severe on the district administration. He has criticised it for not exercising sufficient control over the implementation of SFDA programmes. Naturally, if the Collector does not take interest, or, cannot find time for a particular priority item of work, how can the objectives and goals of the programme be achieved? The author has been critical to the extent of being cynical when he says, "the gap between promise and performance has been too wide. This leads to the conclusion that the special agency approach to the development of rural poor has not been, like many other development programmes, a success".

While the author has also discussed contribution of Panchayati Raj institutions towards the success of the programmes, he has not discussed the benefits obtained by weaker sections because of the representation of weaker sections in Panchayati Raj bodies in Andhra Pradesh. The role of middlemen has been highlighted. They always appear as a constant stumbling block in all our development programmes. It would have been worthwhile if the study had, perhaps, suggested some remedy on how to overcome the problem of middlemen.

The author appears to have come to a very positive conclusion that the SFDA could not leave any significant impact on the conditions of the rural poor. This view appears to be a bit exaggerated. The study does not take into consideration that one of the major achievements of the SFDA was that it acted as a catalyst for the release of institutional finance in aid of development of small farmers, marginal farmers and agricultural labourers. No doubt, there were inadequacies in this programme which could not, perhaps, be taken care of in the initial stages, but with experience gained the programme has now attained a certain stature and it can be said definitely that the SFDA is easily one of the best managed and the only programme of its kind for poverty alleviation in the Third World.

This is a useful addition to the growing literature on Rural Development.

—S.K. PACHAURI

Economic Systems

GIRISH MISHRA, Delhi, Pragati Publications, 1986, p. 344 + viii, Rs. 150.00

Innocence and Design : The Influence of Economic Ideas on Policy (The 1985 BBC Reith Lectures)

DAVID HENDERSON, Oxford, Basil Blackwell, 1986, p. 117 + viii, £ 15.00.

Among Indian scholars as well as in Indian universities studies on economic systems are no longer as obscure and rare as they used to be until sometime ago. Not that the mainstream economics, derived largely from the neo-classical and Keynesian Schools of Thought, has incorporated in its body the implications of the study of the formation, evolution, and functioning of economic systems. Even in matters of analysis of micro and macro units and for policy analysis, systemic approach is largely absent. From the point of view of a country like ours, where the primary concern of economic studies is with problems of development, the tendency to ignore questions of economic systems is all the more indefensible and, if one may say so, even inimical to the use of economics as a fruit-bearing science. This is because the choice of the path and pattern of development and the strategies for the achievement of development goals are, to a considerable extent, influenced by the stage of evolution of the economic system.

In this perspective, one finds that the study by Dr. Girish Mishra on Economic Systems is both timely as well as useful. A study which deals with the concepts, categories, functioning and process of evolution of various systems and discusses many historical as well as futuristic economic systems cannot be rigidly placed under the presently dominant paradigm, which is strongly anchored in the currently dominant economic system. It means a full and adequate discussion of economic systems has to be rooted in many different paradigms: a kind of inter-paradigmatic study. This is not to deny that the Marxian paradigm is about the most developed paradigm for dealing with economic systems, systemic shifts and transitions.

Given these inherent complexities of analysing economic systems, one finds that Dr. Mishra's study covers a really large canvass in which, alongwith the Marxian paradigm, a number of selective and critical references have also been made to studies based on different paradigms. After discussing the concept of mode of production and socio-economic formation in the context of the Materialist Interpretation of History, the author devotes considerable space to a discussion of major pre-capitalist modes of production. The major part of the study, spread over four chapters, is devoted to the study of

the capitalist mode of production, right from its early, pre-industrial phase to the stage of neo-colonialism and collective colonialism spawned by MNCs. From this, the author moves on to devote two chapters to socialist mode of production--the first one is devoted to the theoretical and abstract aspects of the socialist mode of production and, the second one to the question of socialism in practice in which the Soviet and the East European as well as Chinese socialisms are discussed not only in a great deal of detail but also on the basis of the latest controversies on various questions.

The simple manner of presentation and the sharp posing of issues can easily be regarded as two endearing characteristics of the book not only for the graduate and post-graduate students but also for intelligent citizens and administrators who may like to view the economic phenomena around them in the appropriate context of the system of which they form a part. Insofar as an appreciation of the objective situation improves the quality of decision-making, a study of book of this kind should be a rewarding experience for public decision-makers. A chapter on the nature of the Indian economic system would have been an appropriate addition to the book.

A somewhat different but related theme has been discussed by David Henderson in the 1985 BBC Reith Lectures which has been published under the title of *Innocence and Design: The Influence of Economic Ideas on Policy*. This crisp and thought-provoking book deserves the attention of policy-makers as well as professional economists. Recalling the aphorism by Joan Robinson that the purpose of studying economics is to see how not to be cheated by economists, one may say that these lectures can probably be read even by intelligent lay people in order to see how economists, particularly those placed in position of advising governments think about the important issues of the day. Henderson seems to be briskly analysing the history of economic policies down the year which bears witness not only to the influence of economists and economic doctrines, whether defunct or alive, but also to the power of what he chooses to call "Do-it-Yourself Economics" (DIYE) on the basis of his personal experience of working in the economic ministries of the British Government. Henderson comes to the conclusion that many vested interests, basing themselves on convenient propositions, influenced the choices that government made. According to him, the economic ideas do not come from university economics courses or from the present-day economic writings alone, but, also on the basis of ideas and information which is generated within the decision-making system itself. These ideas are simply intuitive and self-generated--a kind of home-spun economics. In the words of Henderson, "those who held them thought that what they were saying was plain commonsense which needed no prompting

or authority." This is an example not of the use of economics in administration, but of its non-use. Thus, as against professional economics, Henderson conjures up another category "Do-it-Yourself Economics". In course of time, he realises that the DIYE permeates not only the Whitehall of the late 1950's but "DIYE has a much broader universal character, across national frontiers and down the centuries". They are unchanging, timeless and often deeply held. They are the economics of Everyman". From a professional angle, these ideas may be called pre-economic.

Henderson goes on to give many examples of how these pre-economic, DIYE ideas emerge and influence decision-making and popular perceptions. He also contrasts these ideas with those of professional economists, whose ideas he presents as those of Mr. Macquedy - Mac Q.E.D.

Since the issues which Henderson raises are rather basic, concerning, on the one hand, the questions of theory of knowledge and, on the other hand, with the influence of economic ideas on policy, this brief review is not the place for an adequate examination of the subject. Suffice it may be to say that by giving many examples from his own personal experience as a professional economist as well as an economic adviser, both at the national as well as international levels, Henderson has made his points rather effectively and persuasively. On reflection, one may find that many of the ideas are somewhat frothy and do not seem to be durable. This is fairly natural, because the phenomenon of popular economic ideas and the actual extent and manner of the use of professional economic ideas in policy-making cannot be explained entirely to the satisfaction of an economist belonging to a particular School of Thought who adopts a particular paradigm of economic analysis and has his own sympathies, biases, predilection and commitments. This is also because of the excessive faith which professional economists tend to put on the utility and validity of their theories and concepts as guides to practical policy-making, ignoring the pulls and pressures of politics, class conflict, national and international antagonism and other complexities. Thus, it might appear to be naive to expect that in real life policy, whether predominantly economic or otherwise, would be able to follow any recipe book instructions evolved with meticulous care by various schools of economists. In this sense, it might be said with some justification that the ascribing title of the study of Innocence to DIYE and of Design to professional economists respectively is somewhat simplistic.

In the course of the discussions, Henderson has expounded and illustrated his main theme with reference to many specific policies. He has also many comments to make on some of the important policy

issues of the present as well as some of the age-old ones like those between laissez-faire, markets and government. He says that the message of laissez-faire is not that the government should be inert or indifferent. On the contrary, his emphasis is 'positive' one, concerned with economic freedom, which enables opportunities to be opened up more widely and thus operate against special privileges. He goes on suggesting that the active involvement of public authorities is often needed if markets are to function competitively without producing unwanted side effects (a simple way of describing external dis-economies). His formulation that "the right balance between intervention and laissez-faire will vary from case to case and is always a matter of judgement" quite vividly brings out that when it comes to substantive choices, Mr. Macquedy is of little help and one has to fall back upon *DIYE*. The essential message is that economic knowledge is no substitute for the interplay of economic interests. It is the latter, which moulds policy use of the former, of course, without making economic ideas totally subservient to vested interests. Thus it is difficult to go with the Keynesian dictum that sooner or later it is ideas and not vested interests which are dangerous for good or evil. It is difficult to agree with this proposition because, in practice, ideas and interest interact on each other. Vested interests give rise to ideas and on the basis of ideas vested interests thrive. The primacy generally belongs to vested interests, based on real, palpable factors. And do ideas not evolve into vested interests?

—KAMAL NAYAN KABRA

Life in Public Administration: Who Administers/How, Where and With What Does One Administer/How Does One Learn to Administer, Ed. LEO KLINKERS, Amsterdam, Uitgeverij Kobra, 1985, p. 143

Historically, discussions concerning the problematic area of conceptualising administrative reality point to a multitude of approaches, yet, the absence of a body of knowledge and system of explanatory 'theory' with 'scope' and 'precision' and 'reliability' pertaining to the administrative phenomenon remain uncontested in the field of public administration. The administrative 'hypotheses' that have been proposed have not undergone critical scrutiny and empirical validation.

In much of the administrative writings of the past, there has been a tendency to indulge in 'sophisticated' consideration of minute aspects of the administrative phenomenon, rather than attempts to

attain an overall view of the subject by applying a multi- and inter-disciplinary approach to public administration. Commendable exceptions are Luther Gulick, Dwight Waldo and Arne F. Leemans. The book under review is worthy testimony not only to Arne F. Leemans, as the editor and the authors claim, but also to the multi-and inter-disciplinary approach to the study of public administration.

In "Dynamics in Public Administration", Adriaan Bours and Marie Anne Estas provide an overview of Dr. Arne Leemans' thoughts and activities in the field.

We learn of the scope and extent of Dr. Leemans' pre-occupation from local government to sub-national, national, and international concerns; administrative reform, comparative and development administration; theory and practice of public administration; his efforts to promote and gain recognition for the discipline in his home country as well as worldwide. The presentation of Leemans' background is followed by a "List of Publications and Other Contributions by Arne F. Leemans". The book addresses itself to six major questions and these are covered in chapters 2-7: (1) What is administration in the public sector? (2) Who administers? (3) How does one administer? (4) Where does one administer? (5) With what does one administer? and (6) How does one learn to administer?

In "The Problematic Conceptualisation of Modern Public Administration", Ron Verhoef supports a multi-and inter-disciplinary approach to the study of public administration, defines the field of study, and identifies the complex relationship between 'politics' and 'management'; he also identifies the peculiarities of public administration and cautions against the rigid separation between rule-making and rule-adjudicative activities.

The question What is administration in the public sector? is well treated considering the problem of conceptualising public administration, with approaches generating discussions that resulted in creating unnecessary dichotomies in the field.

Gerard Timsit (France) and Sabino Cassese (Italy) address the question who administers?. From their presentations, it is obvious to conclude that the political system is increasingly turning bureaucratic, while the administrative system is becoming more and more political. They both concur that bureaucratic and political power have incredibly become intertwined. How does one administer? is the focus of Colm O' Nuallain ("How does one administer?") and Andrew Dunsire ("Why administer?: The Moral Dimension of Administrative Reform"). In both discussions, the values that ought to be brought to administration and administrative reforms are discussed; effectiveness, efficiency, acceptability and accountability are discussed as "end criteria we should prescribe for public policy"

design--and for effective implementation, mobilisation through popular participation. Caution about administrative re-organisation is also offered. The question, *Where Does One Administer?* is dealt with by Juha Vartola, ("From careless Nonchalance Towards Responsiveness") and Frank Delmartino, ("The concept of 'Relevant Space for Decision-Making, as Test Guide for Territorial Reforms'.") Vartola accepts the need for improvement in the administrative system but focuses attention on why administrative improvements have not been attained.

Among other things, he argues that the bureaucracy: (a) has moved from being a ruling instrument to being "integral part of the ruling system"; (b) has become "largely a law up to itself, independent of society. The intrusion of parties and interest systems into administration brings with it social contradictions and potential conflicts"; (c) has developed a "bureaucratic culture as an obstacle to the development of responsiveness". Delmartino argues that three terms--relevance, space and decision-making--should be given their full weight in administrative re-organisation and reform. He writes "Relevance" does not seem thus far to have been the strongest side of reforms carried out" He further notes:

Administrative re-organisation thus becomes a dialogue that is conducted in different ways depending on the place and time, and whereby, it is important to specify which actors have a say and in what governmental and social context the process occurs. A few consequences of this are obvious:

The equalisation philosophy in provisions and administrative solutions will be abandoned;

The towns and the countryside differ essentially and thereby permit differences in administrative solutions; and

An administrative organisation is not established once and for all: transitional phases and opportunities for growth can be provided" (p. 92).

In "With What Does One Administer?" Jan Kooiman, ("To Govern Is More Than To Decide") and Ton van der Eyden ("Creative Management in Government") reactivate the discussions on "who governs?" and how who governs does so and the qualities and responsibilities that should go with governing. Kooiman concentrates on inputs and the problems created in solving the increasing input demands in society. Kooiman resuscitates and redirects the application of systems theory and cybernetics to the theory of public administration. Cybernetics, jargons apart, overloads, positive and negative feedbacks. Kooiman

prescribes following conditions for effective governance:

Significant to governing is the fact that there is an object and a subject, implying a governing relationship. The governing object can be called g.o. (governing organ or system), the subject, g.s. (the system to be governed). Certain resources or methods of influence are used in the process of governing and can be called instruments. Certain impulses are needed to bring the instrument(s) into action and to sustain that action (p. 105).

Broadly stated they are : (1) The condition of image, (2) The condition of instruments; and (3) the condition of action. The amalgam of the three conditions defines the possibilities and limitations of certain governing situations.

Ton van der Eyden on the other hand catalogues the ills with governance--what is wrong with government?--and provides a "checklist for top quality service". According to him, following are important elements for top quality government:

Government service should be the best possible;

If private organisations perform well in a particular sector, respective government organisation should perform equally well or should be privatised (specific government functions excluded);

Top quality government service is a necessity of life for the citizens, just as food, housing, etc.;

The difference between mediocre and high performance in government servicing is represented by the human factor, and each civil servant should therefore perform to the best of his or her ability;

Civil servants are not servants of the politicians, but of the public as the real sovereign (citizens sovereignty);

One hundred per cent involvement in top quality government service should be asked but it should be accepted that civil servants may make mistakes;

Politicians are chosen as political representatives once in four years or so, but civil servants are chosen daily by the public on the criterion, "does a citizen sovereign get good service"?

Each civil servant should periodically make a cost/effectiveness analysis of the (sic) own performance, the target being a positive contribution to the people's well being;

It is a privilege to be a civil servant, to be a member of government, i.e., the best possible human organisation;

Civil servant should behave as responsible men and women, the best

medicine against the bureaucratic disease of shifting responsibility on to another's shoulders;
 Civil servants should be trained continuously to become experts in optimal government servicing, not only in their specific jobs but in 'government' in general; and
 Government must become a quality that is associated with optimal service, humane behaviour, professional work and efficiency.
 (p.113.)

Like Leemans, van der Eyden argues for an inter-disciplinary science of government and advocates the recruitment of able personnel and continuous training for creative management of government.

The case for training public service personnel is poignantly made by Ernest Engelbert ("Managerial Training for the Public Sector") and Klaus Konig ("Political Advice and Administrative Support Planning in the German Chancellery") in answering the question: **How Does One Learn to Administer?** They argue that appropriate qualifications and competencies are *sine qua non* for effective making and managing of public policy.

A number of significant points can be made from the book:

- that the complexity of public sector management--the study and practice together--requires inter-disciplinary/multi-disciplinary approaches for effective results;
- that administration is political and the involvement of civil servant in political decision-making need not be ignored in the study and practice of public administration;
- that values dominate the administrative process and ethical theory needs to be incorporated in public administration theory;
- that the study of public administration cannot be divorced from the practice--study should enrich practice and vice versa; and
- that the drive towards professional development of public administrators needs to be intensified.

Typographical errors aside, this is an excellent primer in the study of public administration.

--KOFI ANKOMAH

Civil Service Administration in India

R.K. SAPRU, New Delhi, Deep & Deep Publication, 1985,
p. 624, Rs. 300.00

Before the World War I, the civil service system played a significant role in enabling the British Government to administer the country. Even though the processes of democratisation and decentralisation started in the British India from 1919 to 1945, its position remained largely eminent despite emergence of the minister and the strengthening of the legislature. Its position became somewhat undefined immediately after India's Independence. But the national government (especially the Home Ministry under Sardar Patel) soon recognised the role civil service was expected to play in providing assistance to the political leadership in the processes of state-building and socio-economic development. It was, therefore, decided by the fathers of the Indian Constitution to provide, within the constitution itself, for recruitment by merit through Public Service Commission as in the past as well as some protection to the civil servants against arbitrary disciplinary action. However, since 1950, it is with the beginning of an era of fast growing momentum of development that the role of civil service has begun to expand and diversify increasingly.

Dr. R.K. Sapru, in his book on Civil Service Administration in India, deals with historical and development context of the civil service in a very lucid and perceptive manner. Keeping in view this national context of the need for maintenance of public order and for development momentum, he discussed the organisation and the role of civil service in the state of Haryana. He gives us a panorama of development activities in the state and then an analytical description of the existing organisational capacity of civil service to cope with the increasingly strenuous and complex responsibilities devolving upon it as a comparatively young state (less than two decades old) of the Indian federation.

He does not confine himself only to the analysis of structure, recruitment, training, career development and staff associations, but also makes constructive suggestions on organisational aspects to reinforce the efficiency and efficacy of the civil service. While doing so, he draws upon the basic concepts of the discipline of public administration over which he seems to have a good grasp. As a matter of fact, one of his strong points seems to correlate practice with theory.

In the chapter on structure of the civil service, he is critical of the prevalence of class-consciousness and inadequate incentives under the existing hierarchy of civil service system into four main

classes. He pleads for scrapping of this system in favour of unified grading structure, as has also been recommended by the Administrative Reforms Commission in the late 60s. It so happened that three of our neighbouring States--Bangladesh, Sri Lanka and Pakistan--have adopted such a system though its actual working has not been as correct as was expected.

As regards the problem of relationship between specialist and generalist, he rightly points out that as the state moves further and further on the roads to socio-economic development, the specialists need to be assigned a more central role, and not a peripheral one which they play in some of the development departments, such as electricity boards. One finds today that in the Directorate of Education and the Department of Education of the State Government, at the secretariat level, it is not the highly qualified educationists who occupy the key positions; instead, these are filled up by the generalists. A similar trend is visible in several other departments concerned with social or economic activities. Dr. Sapru is rather mild in suggesting improvement in the status of the specialists in the hierarchy. As a matter of fact, one would like to see the specialists or development administrators occupy top positions in the development departments. The ARC had suggested that the generalists should first be provided specialised training and then posted in development wings of the departments for the rest of their career. Similarly, the specialists should be provided sound higher management training to occupy key positions within the development departments as policy-advisers to ministers and as meaningful line-staff, besides bearing expert knowledge on the policies and programmes of the department.

While dealing with training as a means of not only orientation but also for imparting development skills and ethos of the civil service in Haryana, Dr. Sapru pleads for reorganisation of various training programmes through proper planning and development of a really competent staff for this purpose on somewhat more stable basis than has been the case so far.

While discussing career development, he points out that there is hardly any planning for career development for class II, III and IV officials. Though there is a Department of Administrative Reforms within the Haryana Government, there has not been in operation any career development plan. Not only the civil servants get frustrated to a certain extent, but occasionally there is also the problem of misfits in certain administrative positions.

As regards recruitment, the Public Service Commission has not come up to the expected standards of recruitment by merit as envisaged in the Indian Constitution. The public image of the Commission for

integrity and efficiency has not, unfortunately, been bright. Dr. Sapru suggests that the recruitment system needs to be streamlined and the government should take steps to protect the Commission against political pulls and pressures which are deflecting the Commission from high standards of integrity.

His chapter on staff associations is positively enlightening, particularly because not much is known about them outside the four walls of the unions, though they have started playing an important role in promoting or inhibiting good management-employee relationship. Dr. Sapru suggests that while the Union leaders should develop a better sense of responsibility, the state government could follow the Central Government in activating and debureaucratizing the existing functioning of staff committees. This, in his opinion, may contribute to a more effective dealing with the staff problems and grievances.

The value of this study could have been enhanced if the author had also included the view-point of legislators and the leaders of the interest groups about the performance of civil service. There are complaints about delays, favouritism and corruption in certain sectors of the civil service performance. If these could have been brought out by eliciting the views of organised groups or citizens dealing with civil service, and through the views of the legislators recorded in the Estimates Committee and Public Accounts Committee, we would have a realistic view of the performance of the civil service as it concerns the welfare of the people.

This is a pioneering work on the subject of civil service in the state of Haryana. In the Seventh Five-Year Plan, the responsibilities of every state government and its chief instrument are going to be still much higher and more complex. For this purpose, efficiency, effectiveness and integrity of civil service demand a good and critical look at its existing system. This study, therefore, is a contribution towards this process. Moreover, in the academic field, attention is beginning to be paid to the study of state government and administration. This publication contributes very substantially to the existing literature on state administration in India. It is, therefore, a useful piece of writing for the benefit of those interested in such studies.

--B.S. KHANNA

State Executive

LALLAN BEHARI PANDEY, Delhi, Amar Prakashan, 1985, p.239, Rs. 60.00

Pandey's book focuses on the role and functions of the state executive, that is Governor, Chief Minister/Council of Ministers in the light of the functioning of the Chief Central Executive, that is President, Prime Minister and Central Council of Ministers. The author substantiates his thesis by drawing from the Indian Constitution (including its evolutionary phase), constitution of other countries, debates in the Constituent Assembly of India, and the judgement of some legal constitutional cases.

India has adopted a parliamentary form of government, where it is the party system that gives the cabinet its homogeneity, and it is the position of Prime Minister which grants solidarity to it. The author opines that the Indian system does not adhere, in any way, to the system prevalent in USA, Switzerland and USSR. According to him, it resembles very much the parliamentary system prevalent in Britain and its other self-governing dominions. Regarding India, one view-point is that the nature of the Indian executive is definitely not parliamentary and the President of India is one of the most powerful functionaries. He combines in his office the powers of both formal and legal executive, as he is vested with ordinance making powers, declaration of emergency, and the suspending of fundamental rights and provincial autonomy. Our Constitution concentrates these powers in the Indian President, who is like a king for five years and on whom the only check against abuse is the impotent impeachment. Before the 1976 amendment, the President was not bound by the aid and advice of the Council of Ministers. The other view is that the nature of the Indian Executive is parliamentary, pure and simple and the Constitution establishes a cabinet government both at the Centre and the states on the British model. It may be recalled that Dr. Rajendra Prasad, the first President of the Indian Union, at times tried to exercise his authority and he felt the need for clarification of the powers of the President. But, with the enactment of 42nd constitutional amendment, 1976, the aid and advice of the Council of Ministers is binding on the President. In the retrospect, Pandey observes that had the Irish scheme under the Fourth Republic of France, providing that the President would be legally bound to accept the aid and advice of the Council of Ministers, been accepted, there were no scope for constitutional experts giving conflicting opinions. The President has still the right to be consulted, to encourage and to warn. In abnormal circumstances, the President has to exercise real powers in two fields, viz., appointment of Prime Minister and dissolution of Lok Sabha.

It is maintained that the states under the Indian Union are the creation of Central Government. It is, therefore, natural that the position of the states in the Indian Union is not of a co-equal and coordinate status with the Central Government but of a subordinate status. The executive powers of the state are vested in the Governor and Chief Minister/Council of Ministers exercise authority on behalf of the Governor.

The Governor is appointed by President and holds office during the pleasure of the President. It is believed that the nomination system would discourage the centrifugal tendency. The Governor would work as a link between the Union and the states because he is the constitutional head of the state. In the appointment of governors, the condition that the governor should not belong to the same state has generally been accepted, while the other point that the state government should be consulted in the appointment of governor has not been followed. The author asserts that some method should be found to ensure that the appointment of the Governor shall be made in such a way that he is made accountable to both the Centre and the state. This is necessary because he has to exercise some discretionary powers under the Constitution. Pandey makes some suggestions in this context which need to be examined.

The Governor has a dual role, firstly he acts as constitutional head of the state and as such he exercises his powers on the aid and advice of the Council of Ministers. Secondly, he exercises some powers in his own discretion, especially in the matter of appointment of Chief Minister and the dissolution of Legislative Assembly. Pandey pleads that a distinction has to be made in the use of discretionary powers as to when the governors have to seek instructions from the Central Government and when they should exercise their individual judgement in the interest of the state. A proper balance has to be maintained between the dual role, which the Governor has to perform. As a Chancellor of a university, it is asserted that the Governor must act independently of the advice of the state cabinet, unless it is required by law. The most important function is the appointment of Vice-Chancellors, which at times has been a matter of controversy and dispute between the Governor and the state cabinet.

As an agent of Central Government, the Governor provides the link that fastens the federal state chain, which regulates Union-State relationship. The position of the Governor is of dignity and authority under the Parliamentary system and he is not just a symbol or a figure head.

After 1967, large-scale defections and unprincipled alliances of political parties in forming coalition governments in all the states have made the position of Governor very difficult. Even some opposi

tion parties and governments in states talk of abolition of the institution of governorship. Therefore, there is a need for an all-party convention to discuss the matter threadbare and formulate general guidelines to be followed as far as possible in a given situation.

It is suggested that the Chief Minister should, as far as possible, be a member of the lower house. But of late, a tendency has developed where the leader is nominated by central high command/central leaders of the party. In case of non-congress governments, leaders of defectors from Congress Party at times became Chief Ministers. The nomination of the leader of state legislative party by the Centre shows subordination of state executive to central executive. This has resulted in an unbalanced Centre-State relationship and the state executive has become weak. The author advocates that the state legislative party should be left free to elect its leader.

Regarding the functioning of the Chief Ministers, it is pointed out that except for some old timers, most of the Chief Ministers have remained either *primus inter pares* or an agent of the central party organisation. The author pleads for greater responsibility to the state executive in the functioning of the government and the appointment of the Chief Minister. Further, it is asserted that unless a proper and harmonious balance is attempted to be achieved between Centre and states, there is likely to be a growing demand for constitutional guarantee of the greater autonomy to the states as has been made by some Chief Ministers.

The governor controls the legislative activities through the executive power to summon and prorogue the session of the legislature and to dissolve the state assembly, the power to address and send messages, the power to assent the bills and the power to promulgate ordinances. In the absence of uniform practice, the author pleads for proper understanding between ministry and Governor, otherwise complications and controversies may create difficulties in smooth functioning. Further, a need for necessary amendments in the constitution is felt and a convention may be established that a Governor does not exercise even either by implication the power to veto a bill (withholding assent to a bill). There should be a minimum use of the ordinance making power to the state executive.

In the Indian states, the relationship between executive, the cabinet and the legislation due to defections has affected the smooth working of the parliamentary system. Recently, Parliament enacted the anti-defection Bill. It is hoped that states will follow suit to enact such legislation (if not passed earlier) to attain political maturity and morality and to bring about stability in government.

Regarding relationship between executive and judiciary, it is suggested that the state executive should least interfere with the judicial activity of the state. The power to pardon should not be used for political purpose and it should be exercised to promote justice and not impede the independent and impartial working of the judiciary.

In fine, this book will be of interest to the legislators, students and teachers of political science, public administration, management, constitutional history besides general readers and find wide audience. One may not agree with all the suggestions made in the book, but these need to be examined on their merit. The changed political situation in the country calls for a fresh look on this vital issue and the book will provide sufficient material for a national debate. L.B. Pandey deserves gratitude of the reader for his endeavour. The reviewer hopes that Dr. Pandey will find time to update this book and throw fresh light on this subject in view of the recent developments in the country.

--P.C. BANSAL

Wielding of Authority in Emerging Countries

Lt. Gen. P.S. BHAGAT, New Delhi, Lancer International, 1986,
p. 115 + XIV, Rs. 130.00

Organisationally speaking, the term authority is a synonym of term power. Authority structure of an organisation leads to its hierarchical structure. This structure is supposed to be based on the abilities, aptitudes, skills, education and experiences of the men working in the organisation. It helps them in performing their jobs efficiently and completing their tasks quickly. It also helps the organisation to grow and develop. Even the pigs of George Orwell's *Animal Farm*, after driving away their masters, for the purpose of administering the farm, had to change the commandment pertaining to authority, to read; "All are equal but some are more equal than others!" Authority, therefore, is an essential ingredient of organisational as well as social life of man.

Milgram's experiments, reported in his book (*Obedience to Authority: An Experimental View*, London, Tavistock, 1974), have established that a large mass of people have an in-built dependency syndrome which impels them to seek guidance and direction from authority figures. The role of this syndrome becomes all the more important in case of those persons who for long have been subjected to feudalism, on the one hand, and colonialism, on the other. Their sense of

dependency goes down to the depths of servility. That, in turn, encourages the man in authority to assume undue self-importance and promote his own selfish interests. That, in other words, amounts to exploitation of rank and file.

It is a normal practice in developed countries of the world that before a man is put in a position of authority, he has to prove his worth. Later on also he remains in that position so long as he keeps delivering the goods. But that is not happening in India and in many other emerging countries. Even after almost 40 years of Independence of our country, self-perpetuation of persons who once happened to get into the positions of authority, continues. There are three main reasons for this. First, there is no detailed and tangible criteria to assess their responsibility and accountability; and second, the 'personalised' functioning of our country men comes in the way of streamlining the role of authority in our organisation; and third, high need for affiliation of Indians does not allow them to take stringent action against those who misuse authority or otherwise fail to perform their authority role adequately. The causes of this malady are deep rooted. However, they got aggravated during the British rule of our country. Elaborating this point, General Bhagat writes, "...the real positions of power were denied to Indians. Indeed, it speaks much for the British ways of wielding of authority that with only the trappings and not the substance of authority, the Indian official was kept placated. The art, habit and practice of wielding authority was all but a closed book to Indians for a century or more. It is this authority gap of more than a century, and during the most crucial period in the development of modern practices of authority--mid-nineteenth to mid-twentieth century--that impairs the working of authority in India. Not only are those who are in authority affected by this authority gap, but the whole society is inhibited by it".

The proper role of authority is to respect the rights of the common man and deliver to him what is his due. But an Indian's perception of authority is to instil awe and fear in the common man, use it for self-aggrandisement and make the common man rationalise his deprivations. Little is being done to change this understanding of the precept of authority among Indians. A new political authority based on democratic principles is being super-imposed on a colonial bureaucratic system. The emerging aspirations and dynamism of a nation with a rich cultural heritage, is tried to be harnessed and channelised through the administrative system which lays too much emphasis on rules, inspections and 'bull'. But the tragedy is that the two systems do not match.

The book under review provides a detailed and indepth study of the

concept and practice of authority in India during the British rule and as it is getting manifested in our behaviour today. It discusses both the political and the socio-cultural circumstances weighing on the exercise of authority in our country. Further, the book does not discuss the exercise of authority in military sphere only; in fact, it devotes a large portion to the discussion of authority as it is manifested in our civil organisations. The thrust of the author's arguments is that the new generation which has started exercising authority today is neither politically nor psychologically hampered by the negative understanding of the concept. This generation, therefore, should be less resistant to change and should be able to run their charge more confidently than the last generation. But it is easy said than done. No doubt the new generation is politically free from the negative understanding of term authority, but psychological factors related to human behaviour are deep-rooted, subtle and all-pervasive. A man's self-respect, conscience, ego and ambition, each has a role to play in making him strive to achieve the best results. To infuse these things in the Indian psyche—which for long has lived on a sense of dependency, servility, fatalism and superstition—is not easy. A vigorous planned effort would have to be made so that our authority system becomes sensitive to the changed circumstances of the country. In the first place, we require many more books like the one written by General Bhagat to be read by the policy-makers of the country. In the second stage, human relations workshops must be conducted to make the participants relate the concept and practice of authority to their individual and group behaviour. And last but not the least, the principles of democracy in which the proper authority system is going to be ultimately rooted, must become a matter of faith with us.

A study of the book under review is recommended to all administrators and students of organisation behaviour.

-- SHYAM LAL DAS

BOOK NOTES

Parliamentary Control of Public Administration in India

UDAI NARAIN, Allahabad, Chugh Publications, p. 484, Rs. 150.00

Parliamentary Control of Public Administration in India by Uday Narain, makes a comprehensive study of the issues involved. The issues involved on the basis of Parliamentary Reports and other documents. After presenting a broad picture of the administrative system, the author goes on to discuss procedures and systems of Parliamentary control. He thereafter explores the interest and impact of Parliament, the policy, activities and the issues of the government. He also analyses the role of the Parliament in relation to the personnel and financial administration as well as other administrative operations of the government. One of the chapters is devoted to the over view of the system as well as of the problems and thereafter the author arrives at his own conclusions and makes a few suggestions with a view to strengthen and rationalise parliamentary control of Public Administration. The author has made a thorough use of the existing literature on the subject as well as Parliamentary Reports and other official and governmental documents. The author attempts to analyse the problems in the comparative context of the working of the parliamentary system and some other countries particularly, the United Kingdom. Being a research work it is thoroughly documented and provides fairly authentic understanding and the working of the parliamentary system in relation to government in our country. Better editing would have helped to eliminate the printing errors which rather mar the value of the book. While there are many states dealing in different aspects of Parliamentary control, Dr. Uday Narain in his book, which was accepted as thesis for the D. Lit. degree University of Lucknow, provides a more comprehensive approach to the parliamentary control of Public Administration.

--EDITOR

Gandhian Thought—An Analytical Study

J.K. MEHTA, New Delhi, Ashish Publishing House, 1985, p. 240,
Rs. 150.00

The volume under consideration comprises of a number of lectures on the different facets of Gandhian Thought. Prof. J.K. Mehta was an economist of great repute and his work on theoretical economics constitutes a distinct contribution to economics. Even his approach to economic thinking and problems was rooted in our ethos and culture. Gandhian Thought was a subject very dear to Prof. Mehta at a time when many unconventional ideas of Gandhiji were considered as just simple facts. But Prof. Mehta's admiration for Gandhiji never came in his way while making an analytical study of his ideas and thoughts. With his characteristic capacity for discernment and analysis in Gandhian Thought, Prof. Mehta has been in a position to identify the eternal varieties of life and examine them with the compulsions of the present and imperatives of the future. For him, Gandhiji's thoughts seem to have not only contemporary and local relevance but also universal significance. When the eco-development problems are emerging and people talk of ethics in economic life, the Gandhian ethic of austerity becomes an integral part of the economic approach for developing as well as developed nations. There is a growing realisation of need for indepth, objective and dispassionate study of Gandhiji's ideas and Gandhian techniques to solve the problems of life. Prof. Mehta has delivered lectures under the auspices of the Institute of Gandhian Thought and Peace Study, University of Allahabad. They cover Gandhiji's approach to non-violence, truth, religion, satyagrah, democracy, fasting, etc. But his presentation portrays a new approach and his scholarly perception. Though primarily a theoretician and mathematical economist, Prof. Mehta was also a philosopher of Economics. It has been rightly said that his was an effort to go to the root of things and make the people understand them. It was probably, when he tried to work on the philosophy of economics as well as social traditions of the East and West that he made an extensive study of the ideas and ideals of Gandhiji. He was one of the Professors for Economics with a theoretical and philosophical base of Gandhian Thought. Though it is a posthumous publication, it is a work of great scholarship and social sensitivity. The volume will be of great interest to the students of social science and of the right thinking people who try to seek solutions to the problems of daily life in the light of Gandhiji's writings and teachings. Prof. J.K. Mehta's book on Gandhian Thought makes an outstanding contribution to Gandhian Thought.

Public Enterprises in India

JAGDISH PRAKASH, Allahabad, Thinker's Library, p. 392, Rs. 65.00

Public Enterprises in India have a number of problems which are familiar to the students of developmental economics and development studies. The rationale, the nature and the spectrum of public enterprises would naturally depend on socio-economic policies. The planning system in our country assigns a very important place to public enterprises. For economic, social and administrative reasons, public enterprises are under pressure. The problem of accountability of public enterprises has become a very important issue. Hence that of autonomy and control too. The volume under review by Jagdish Prakash makes a study of public enterprises from the perspective of controls with a view to ensure accountability and the achievement of objectives. The problems relating to parliamentary control, ministerial control, and control by audit have been discussed at length. It is the revised version of the thesis earlier submitted for D. Phil. at the University of Allahabad but the book on the whole presents a fairly complete study of the totality of the public enterprises and should be of use to students of Public Administration and others interested in the working of the public enterprises in India. It makes good use of the existing literature on the subject, including official reports and documents.

--EDITOR

Agrarian Movement in Rajasthan

PEMA RAM, Jaipur, Panchsheel Prakashan, 1986, p. 356, Rs. 175.00

The volume by Pema Ram under review is welcome as it surveys the various peasant movements in the different princely states which now constitute Rajasthan. The condition of peasantry was much worse because of the oppressive layers of feudalism in the princely state. Unfortunately, not much is known about the various peasant movements in Rajasthan. Though the Bijolia Satyagrah had attracted the attention of Gandhiji and the then British Government. There were other movements of localised nature which are significant from the angle of study of agrarian movements and the evolution of the agrarian system. Author has made imaginative use of documents and reports which are scattered in different parts of the State, and other facts which lay hidden in Government files or contemporary papers. He covers, besides Bijolia Movement, Bhil and Grassia Agitation in Mewar, and other agrarian or peasant movements in the former state of Sirohi.

Bundi, Jaipur, Marwar, Bikaner, Alwar and Bharatpur. His analysis brings out that agrarian movement in Rajasthan was not an isolated affair but was a part and parcel of the struggle of the peasantry, for this movement, in a feudal set-up, braved the cruelties and oppressions of the then rulers of the state and the Jagirdars besides the overall surveillance exercised by the alien rulers. The study also brings out the role of Press in Rajasthan as well as the national papers in taking up the cause of the oppressed peasantry. The leadership was very often provided by the leaders from outside, not necessarily from British India, but from a neighbouring state or a British enclave like Ajmer, since hardly any political activity was allowed by the then princely rulers. The local leadership could itself be effective in the then existing circumstances only when leaders like Mahatma Gandhi, Madam Mohan Malviya, and Jawaharlal Nehru became interested in their problems. The caste factor in the peasant movement, which even now continues to play its role in the politics of Rajasthan, also emerged as a major factor in the course of the time.

On the whole, the book provides a composite picture of the agrarian movement in Rajasthan and tries to link up with the peasants' movement the political awakening in the country. Pema Ram has undertaken a painstaking effort in the preparation of this useful and well researched study.

--EDITOR

Socialist Thought in India

PRAKASH C. SHASTRI, Jaipur, Printwell Publishers, 1985, p. 119, Rs. 85.00

The book is based on the revised extended version of Prakash C. Shastri's M. Phil. dissertation on 'Socialist Thought in India' with special reference to 'Dr. Lohia's Quest for Indigenous Social Reference'. In the first two chapters, after a broad survey of the contemporary Indian scene on planning system and social and political thinking, he discusses at some length in the following two chapters 'Genesis of Indigenous Socialism from Acharya Brahaspati to Mahatma Gandhi'. In these two chapters, he surveys not only literature on developments in socialist thinking in the country but also refers to Lohia's comments and criticism. In a way, these two chapters provide a 'bird's eye view' of the totality of Indian philosophical and social thinking. In the following two chapters, Shastri presents what he calls Lohia's model of indigenous socialism. The

last chapter is a critique on Dr. Lohia's proposed model. Both these chapters provide analytical view of Dr. Lohia's wide range thinking on philosophical and social problems which speaks of the author's extensive interest in the study of the subject.

The author had earlier written a book in Hindi on the evolution of socialist movement in this country. The present work provides a conceptual and philosophical base to his earlier contribution. The author has drawn on many ideas but some of them need greater clarification and analysis. Probably, the size of the presentation was the main constant. The usefulness of the book would have further enhanced by more careful editing. On the whole, Shastri's present academic presentation is an interesting and scholarly one and will add to the much needed analytical approach to socialist thought in India.

--EDITOR

DOCUMENT 1

Role of Political Parties in India *

I AM greatly honoured to have been asked to deliver the John F. Kennedy Memorial lecture this year. I am particularly happy that I should have this opportunity of paying my tribute, in the form of this lecture, to that charismatic man and great President of the United States who unfortunately was not allowed to fulfil the promise which he so abundantly showed. That promise kindled the hope in vast masses of humanity, certainly not confined to the United States but spread all over the globe, of creating a better, more just and more prosperous life for the people of the whole world. I am probably the Indian who knew him best; I knew him first when he was no more than just one of the hundred members of the United States Senate. Even as a Senator, I had the privilege of working closely with him, particularly on the problems of aid to India, the organisation and garnering of which was, in those earlier days, my special responsibility. In this task, I invariably had his unfailing and invaluable help.

It was at this time that I got to know him well and began to appreciate his sterling qualities. Thus, when he became President of the United States and captured the imagination of the world with his leadership, I was in a better position than most to realise that what he was saying, and that the leadership he was giving was not merely the empty rhetoric of a politician playing to the gallery, but represented the deep-felt feelings and convictions of a man who believed passionately, not only in the desirability but also in the possibility and practicability of creating a better world for the entire human race. The magical effect of his words and actions on all who were taken within his range, together with similar magic woven by Jawaharlal Nehru on Indians of my generation, resulted in those of us who were subjected to both, suffering from what, with the benefit of hindsight, seems today the lunatic illusion that we would, in our own lifetime, fashion a whole new and near-perfect world.

When Jack Kennedy became President and I became the Indian Ambassador accredited to him, many problems both bilateral and multi-lateral, took me to the White House with a frequency with which normally Ambassadors are not favoured. On all of them, he was invariably helpful and cooperative. He went out of his way to help a country for which he had conceived a great affection and the importance of whose future for the direction in which the world developed he appreciated more clearly than has ever been done in the United States either before or after his time. Without his active help, our Second Five-Year Plan would have remained half finished and the Third

* 14th John F. Kennedy Memorial Lecture delivered by Shri B.K. Nehru, on June 16, 1986 at the Indo-American Society, Bombay.

would never have started. Nor did he hesitate to come immediately to our aid, when we asked for help, at the time of the Chinese invasion of 1962.

In thinking of subject for this lecture, I toyed with many topics concerning various aspects of Indo-American relations. But I decided finally to eschew them all, for the present state of our relationship with the United States is so unsatisfactory that I thought it would be more appropriate if the less attention I drew to it the better. Instead, I have chosen as my topic a purely internal subject, namely, 'The Role of Political Parties in India', a subject which does not seem to have attracted the attention of thinking Indians to the extent that it deserves. This subject would have interested Jack Kennedy himself for he was an intensely political animal, fascinated by the mechanisms, processes and manipulations of party-politics. It was not unoften that he questioned me closely on the political compulsions on our politicians in an effort to understand the reasons for the otherwise inexplicable anti-American rhetoric in which some ministers of our government at that time often indulged.

It is generally accepted in political theory that a democratic political system cannot be run without political parties. All western democracies, whether parliamentary or presidential, have political parties, though they vary enormously from country to country, in their organisation and functions. Political parties are supposed to be associations of people who have like-minded ideas and ideologies in regard to the policies that a government should follow and the functions it should discharge. These ideas and programmes are embodied, before each election, in what in Britain is called the party manifesto and in America the party platform. It is these respective programmes on which the electorate is supposed to vote. Needless to say that, in practice, many other factors come into play, including the personality of the candidates.

There are four main functions which political parties are supposed to perform. One is to study and research into the problems facing the country and their alternative solutions on the basis of which the party can formulate its policy. The second is continuously to educate the electorate in regard to these problems and convince it of the wisdom of the solutions the party advocates. The third is to turn out the voters on election day and the fourth, in the case of parliamentary democracies, is to keep the executive government in power by ensuring that its members in the legislature vote solidly for all measures proposed by the government even though they may disagree with them. In presidential democracies, this last function is unnecessary. As the executive is irremovable by the legislature, an adverse vote in the House does not endanger it; votes can therefore be cast in accordance with the convictions of each individual member. It is because of this basic difference that there is such a contrast between the organisations, functions and working of political parties in the United States and Europe. In India, the third and fourth functions are important; others hardly exist.

I have heard it, quite often said by those who tend blindly to follow the British example in everything, that the trouble with India is that we have too many political parties. According to them, a democracy can be run efficiently only with two political parties who present the possibility of government's alternative to each other.

The prime example given is that of the United Kingdom, forgetting that even Great Britain has, and has indeed almost always had, and is likely to continue to have, more than two political parties. They also forget that the dominance of two political parties has been made possible by the most unfair part of the post-electoral system which disenfranchises a substantial part of the electorate. We have adopted this system but the whole of Europe has rejected it, in favour of some form of proportional representation.

The other example that is given is that of the United States where there are only Democrats and Republicans and no third party. They, of course, forget that the organisation and functions of the American political parties have no relationship whatsoever with that either of the British or the Indian parties. Both of the USA parties represent a gamut of political opinions varying from extreme right to extreme left. The only general statement that might be possible to define their respective political positions is that, on the whole, the Democrats are possibly a little more liberal than the Republicans. There is no such thing in the United States as a party whip; any attempt to control the voting pattern of the legislators would be violently resisted as a violation of democratic norms and the denial of the fundamental right of the freedom of speech guaranteed by the Constitution. The voting pattern in any measure, therefore, invariably cuts across party lines. It is not unusual, as indeed is happening increasingly at the present moment, that an appreciable number of the legislators belonging nominally to the same party as the President of the United States oppose his proposals for legislation or executive action while a fair number of the other party supports them. There is no such thing as centralised control in either of the political parties while the office of the Chairman of the party is a fairly lowly one, in great contrast to the exalted position which our own party President enjoys. It might, in fact, be said that the United States is, in our terms, a partyless democracy; the party label under which groups of politicians are organised is more for the sake of convenience in organising the legislature and choosing of candidates rather than for the pursuit of particular policies which are in opposition to those of the other party.

The proponents of the two-party system also forget that all European countries, in spite of their small size, have a multiplicity of political parties and that every European government, almost without exception, is a coalition of a number of political parties which nevertheless seems to give to the country concerned a reasonably effective and stable government. It seems also to ensure a certain continuity in the pursuit of policies, both internal and external, in great contrast to the violent swings that the transfer of power in the United Kingdom between a Conservative and a Labour Government almost always causes of which repeated nationalisation and denationalisation is one striking example. When even tiny countries have a number of political parties, it is futile to expect, in as vast and diverse a country as India, that it will ever be possible or even desirable to have only two.

Indian political parties, like the Indian political system itself, are naturally unique, having developed according to the history, the genius and the requirements of the country. Considering the enormous population of India and its diversity, it is natural that, in addi-

tion to the national political parties, there should be regional parties or rather parties confined to one particular state. Each of our states corresponds, by virtue of its size and the bonds of language, history and culture, to what in Europe would be a separate sovereign country. The particular interests of individual states are beginning to be organised into what are known as regional parties of which the two DMKs in Tamil Nadu, the Telugu Desam of Andhra, the National Conference of Kashmir and the various local political parties in the tribal states of North-Eastern India are examples. Indeed, to a certain extent, the CPI(M), although it claims to be a national and indeed an international party, begins in India to correspond to a regional party representing the interests of West Bengal with an offshoot in Kerala. The Akali Dal may one day become a regional party; as of today, it is too closely mixed up with religion to qualify as representing the interests of Punjab. The European Parliament is not organised on the basis of parties representing member states; but there is a tendency nevertheless, when national interests are involved, for all members from the same country to vote together. Similarly, in the United States, instead of forming separate political parties, the Senators and Congressmen from a particular state or region always gather together in what is called a 'caucus' to follow a common line of action whenever a problem arises, affecting the interests of their particular region, irrespective of party loyalty.

The growth of regional parties is often looked at askance as a threat to national unity and the integrity of India. I personally believe that these fears are greatly exaggerated. None of these regional parties is secessionist. The DMK started by being one but it soon realised that it would not be in the interests of Tamil Nadu or Dravidisthan to separate itself from mother India and the secessionist plank was dropped from its platform. None of the other regional parties has been secessionist though noises akin to secessionism might occasionally have come out of them in moments of anger and frustration.

The nemesis of all the regional parties lies in the feeling that the interests of the people of the state are not safe in the hands of national parties. National parties are, by virtue of the fact of a population imbalance, dominated by the Hindi speaking people of the North. Decision-making in them is also highly centralised; there are no safeguards in the party mechanism, as there are in the Constitution for the autonomy of the states. Decisions at the national party level, which must necessarily be taken in accordance with the wishes of the majority, give rise to the suspicion in the outlying parts of the country that their interests are neglected and ignored.

The DMK was a reaction against alleged northern-Indian imperialism and Brahminical dominance, as exemplified, for instance, in what was regarded as the forcible imposition of Hindi. The Telugu Desam was a revolt against the denial of state autonomy through the imposition of successive Chief Ministers by outside authority. The dominance of Central authority is resented in those areas of the country which have not been, till comparatively recently, part of the national mainstream. The National Conference of Kashmir is, like many of the local parties of the North-Eastern states, ready to cooperate with the Centre but not willing to merge into a national party. They feel

they are too small, and their problems so little understood outside the state, that they may have no voice in the making of decisions at the national level. They are, therefore, unwilling to surrender, through the party mechanism, the autonomy guaranteed to them by the Constitution and do not regard it in any way anti-national.

A unique feature of Indian political parties is that many of the national parties can trace their origins to the Indian National Congress. The Congress was not a political party but a movement; in political theory, it corresponded to a regional party, the region being India; it attempted to represent all the people of India. It comprised, therefore, all shades of sectional interests and opinions, which had combined together under the banner of that Congress to represent the interests of India as a whole and to work for its freedom. Mahatma Gandhi gave wise advice when he advised the Congress, in 1947, to dissolve itself as it had achieved its goal and to allow the various sectional interests, which had combined under its fold, to form separate political parties. That advice was not followed with the result that today's Congress(I) party (which represents the mainstream of the Indian National Congress) is an overall party somewhat amorphous in its ideology. Its allegiance to the ideas of socialism, secularism and democracy are no monopoly; virtually every political party pays homage to, and accepts these ideas, at least in theory.

Another characteristic of Indian political parties is the tendency to splinter into fragments, not on the basis of ideological differences but because of differences in personality. So devoid of any ideological difference are these various groups that they have to differentiate themselves by the initials of their leaders--whence three different Congress parties--and similar splinters of the Lok Dal and the Akali Dal. Indeed the tendency among politicians to give their political loyalties, not to ideas or ideologies but to particular individuals and leaders, is so great as to make one doubt whether these factions can be justly dignified by being called political parties. It is for this reason also that politicians find it so easy in India to change their party loyalties; such change involves no alteration in their ideas of what is good for the country but merely a change in the leader to whom they give their allegiance.

The cement that binds the members of these factions together under their political leader is not, as in other countries, what that leader proposes to do for the benefit of the country but what benefits that leader can confer on his followers. Political parties are tending, in short, to be based not on ideology but on patronage. Whence it is that every MLA belonging to the ruling party has almost obligatorily to be given a ministership of some kind or the chairmanship of a public sector corporation--new corporations being created if not enough of them exist, totally irrespective of their utility or their cost to the tax payer. If there are still not enough of these, some other avenue of making a profit has to be created. Favourite methods are the grant of quotas to each MLA for the transfers of certain functionaries, such as school teachers, revenue officials, police officers and the like. In some states, they are even given quotas for appointments. The MLA puts into his pocket enormous amounts of money for each transfer or appointment and causes equally enormous damage to the administration and, therefore, to the people

of the state. The MLAs themselves have, in their turn, to dole out favours to their supporters. They work for the MLA not because he represents a particular ideology but because, if he is elected, they hope to get some kind of favour from him, such as a gas licence or a building permit or employment for a relative or some other illegal gain. If the MLA does not oblige, his political workers withdraw their support and give it to some body else in the next election. Indeed, this whole system of political parties has caused politics in India to become an incredibly lucrative career for unqualified and incompetent people instead of being a channel of service to the country as it is supposed to be in a democracy.

Yet another characteristic of our political parties is the extreme centralisation of their organisations. Most of them have had no elections for a very long time; nobody really knows how many members they have; the office bearers on their various committees at various levels are all nominated by the central group which itself owes its authority to nomination by the leader. The most deleterious effect of this highly centralised control is that the people who are given the party tickets to stand for elections from various constituencies are not the leader chosen by the people of the constituency but people imposed almost arbitrarily by an outside authority. In Britain, a prospective candidate works for years in his constituency before the constituency party adopts him as its candidate, by a process of democratic choice within the local party committee. In the United States, the choice of the party candidate is made even more democratically through the system of primary elections in which various candidates of the same party, seeking nomination, have to undergo a preliminary election in which all the registered members of the particular party are allowed to vote; whoever gets the majority of votes becomes automatically the candidate from that constituency of that party without the central party having any kind of say in the selection.

In India, on the other hand, while names certainly originate from the various local committees, they are vetted and changed at various levels, particularly by the state committee, whose list again has to be submitted to central authority, which very often makes changes according to its own choice. The result is that the candidate who is finally adopted as a party candidate from a particular constituency may be unknown to the people of that constituency, may have no knowledge of its people or its problems, have no rapport with them and may indeed be actually disliked by them but he nevertheless gets the electoral votes because of party loyalty. What has developed recently--and I was greatly shocked to discover this--is that corruption has crept into even this selection process; money actually changes hands at various stages to ensure that ones name finally is included in the list from which the Central leaders ultimately choose. Outside interference is not limited to the state and Central legislatures; the approval of the state party bosses has to be obtained in the selection of candidates to all local bodies from the municipal corporations down to the village panchayats.

Nor does this interference with local autonomy and, therefore, with the democratic process, end with the selection of the candidates; the party leader after the election has to be chosen with the approval and at the behest of the High Command. This means that when

the party is victorious at the elections, the Chief Minister of the state is not necessarily the person in whom the members of the local Assembly have confidence but the nominee of the Central authority. When the central authority also has control over the Central government, as the Congress Party has had for most of the time since Independence, what this amounts to is that the Chief Ministers of the states ruled by the ruling party at the Centre are nominees of the Central government rather than of the people of the states themselves. The consequence is that the autonomy which is given to the states under our federal constitution is virtually taken away through the party mechanism. This interference is not confined to the Congress Party alone; it is merely because it is the Congress that has remained in power for most of the time at the Centre that the complaint is made mostly against that party. The fact is, however, that during the only time when there were non-Congress governments at the Centre and simultaneously in the state, the Janata Party did exactly what the Congress Party had been doing.

The discontent that is now felt in the states at the absence of adequate powers and the combined onslaught against Delhi for more autonomy has grown, in my view, to a very considerable extent, not because the division of power as listed in the Constitution is defective but because the states are not allowed, when the state ruling party is the same as the party at the Centre, to exercise the authority that is constitutionally their due. This central interference through the party mechanism is in no small measure responsible for the growth of regional parties, it is only a regional party which can ensure that the Chief Minister whom the electorate wants will stay in power and rule over it and not somebody who has the ear of Central authority but not necessarily local support. It is also significant that Chief Ministers of regional parties are, as a rule, very much longer lived than those of national parties.

If the main object of any Indian political party is to attain and keep political power for the benefit of the patronage it can dole out to its members, it follows that the party must ensure that every centre of power in the country is brought under its control. As a result of this, there is a continuous onslaught, particularly by the state governments, on all centres of potential power, such as universities, cooperative societies, local bodies, student organisations, state corporations and the like and, above all, on the civil and police services to destroy their autonomy, either by changes in the law or through administrative practice. One object is to ensure, in particular, that all appointments within the organisation and all benefits flowing therefrom accrue to the followers of the political party in power rather than to those who are entitled to them on the merits of the case. The other is to use these organisations to bring maximum pressure on the voters at the election time.

The most harmful effect of this is felt in two most important spheres of activity--education and administration. In most universities, the Vice Chancellor is still appointed by the Chancellor who is usually, by statute, the Governor of the State. This power of the Chancellor is greatly resented by the state governments for he exercises it in favour of people qualified for the appointment irrespective of their party affiliation. If, however, a Vice Chancellor is appointed in opposition to the wishes of the Chief

Minister, life is made impossible for him in a myriad ways principally because of the total financial dependence of the universities on the state governments. In one state, of which I was Governor, the state government had gone the whole hog and altered the University Acts depriving the Chancellor of the power of the appointment of the Vice Chancellor and giving it by law to the state government. The consequence was an even more rapid deterioration in that universities than happened in others in the rest of the country.

Political interference in the services has made it impossible for any law to be enforced against supporters or financiers of the party in power in the state, be they smugglers, bootleggers, extortioners, pimps, gamblers, land grabbers or even murderers. It is notorious too that it is only a small proportion of the large amounts that are usually earmarked by the state and Central governments for welfare programmes, particularly the anti-poverty programmes, reaches those who deserve the help; the rest disappears on the way, being shared by corrupt functionaries and party supporters.

Born of the same desire to ensure that the party does not lose control of any centre of potential power is the confusion that is becoming increasingly apparent between the state and the party. Party functionaries are used often to perform tasks which should be performed only by the members of the executive branch of government. They are given access to official papers, in breach, technically of the Official Secrets Act, and they are entrusted with governmental authority without being either civil servants or ministers, bound by the oath of secrecy. Similarly, the most important office of Governor, which should be the kingpin of relations between the Central and the state governments and which, by its very nature, can be held only by an individual who is totally neutral as between political parties, is being held increasingly by active members of the ruling party at the Centre. They do not, even temporarily, terminate their connection with the party; they sometimes actually take part publically in party functions and even in party controversies. Likewise, it is a peculiarly Indian phenomenon that Speakers of Assemblies who must, by definition, in all parliamentary systems, be neutral between the Government and the Opposition and, who, therefore, by convention, are expected to distance themselves from their political party, not only continue to be its members but also take active part in its activities.

It is not, therefore, surprising that the actions of Governors or Speakers should be suspect in the eyes of the Opposition. In the case of Speakers, the Opposition complains, often legitimately, that the rules are bent to favour the government. Governors are increasingly regarded as agents of the Centre, subject to the orders of the Central Government. If, therefore, the state government happens to be of a different political party to that of the Centre, Governors are regarded as opponents and even enemies, rather than friends and counsellors, of the state governments. This is in complete negation of the constitutional theory of the position of the Governor. Under the Constitution, he swears, as the constitutional head of the state, to devote himself "to the service and well-being of the people" of the state. He is in no way subordinate to the Centre or subject to the Centre's orders. It is the changed position of the Governor which again has led to an exacerbation of the relation between the

Centre and the states and for the demand of the abolition of that office.

One of the great defects the Indian party system has developed is that, in a conflict between the national and the party interest, it is not seldom that decisions are taken which will help the party to keep its votes or to increase them even though such action may clearly not be in the national interest nor even in accordance with the Constitution. Many such instances can be quoted, but one particular example will suffice. In 1977, the Janata Government insisted on the dissolution of the State Assemblies ruled by the Congress Party in order to ensure that the anti-Congress wave which was, at that time, sweeping the country, should result in their control of the state as well as the Central governments. This action was an obvious and blatant breach of the Constitution but the precedent was followed in its entirety when the Congress Party came back to power in 1980. For the same reason, it will presumably again be followed in future if a similar situation arises, weakening once again the autonomy of the state government guaranteed by the Constitution.

Another characteristic of Indian political parties, as distinguished from the European and American parties, is that there is no public accountability for the manner in which they collect their funds and spend them. In most other democracies, the accounts of political parties are subject to audit; the sources of their funds and the manner in which they are spent have both to be made public. The collection and use of party funds is closely regulated by law and enforced by an authority independent of the executive government; the object of the regulations is to ensure that contributions are not made from black market funds nor are collected in such a fashion as to enable the donor to bring pressure on the government to get favours from it. In many countries, the amount of each individual contribution has to be limited and the amount that can be spent on elections is also not only limited (as it is theoretically in India also) by law but the law is actually enforced to ensure that the limits are not exceeded. Any breach of these regulations is fraught with serious consequences; a recent case in Germany has already caused the resignation of two Cabinet Ministers, who are being subjected to prosecution, and has led to the Chancellor himself being investigated on a charge of perjury. In India, many of our political parties are exceedingly well-financed but nobody knows where the money really comes from nor where it goes. If we are to have clean government, it is essential that the accounts of political parties should be audited; it is a matter of satisfaction that the Prime Minister has promised to introduce such a legislation.

It is obvious from what I have so far said that the party system in India has developed certain major defects which militate against our democratic system in providing good and honest government. Cannot the party system be abolished altogether as, for example, under the Constitution of Nepal? The need of our country, at the present stage of its development and the innumerable problems with which it is faced, is to ensure good administration through as broad consensus as may be attainable on any issue. The present adversary system in which one group of people regard it as their duty to oppose whatever the group in power proposes, irrespective of its merits, causes immense harm.

Unfortunately, it is fairly clear that in a parliamentary system, where the tenure of the office of chief executive is continuously at risk, there is no escape from the legislature being organised on the basis of political parties subject to party discipline and control by the party whip. I have consistently been of the view, as some of you might know, that the corruption and weakness of government caused by a system in which the chief executive is continuously in danger of losing his office demanded that office should be held for a fixed period of years during which the individual holding it should not be removable. If we had a system of that kind, the necessity of fighting elections to the legislature on the basis of political parties would, to that extent, be weakened. Votes in the legislature could then be given, as they are in the United States, on the merits of the legislation before the House. One of the advantages of such a system would then also be that the electorate would be able to choose in casting its vote the best man who in their view is qualified to represent them instead of being virtually obliged to vote for the party symbol even though the man or the woman carrying that symbol might be highly unacceptable in their opinion. What we want today above all is to raise the standards of our political life which cannot happen unless we adopt some system by which we elect good and honest people to the legislatures rather than people who have muscled their way to party favour.

There is, however, no chance of a major constitutional change, such as I suggest, being at the moment acceptable to Parliament or the state legislatures. What becomes relevant, therefore, is the reforms that can and should be made to improve the working of political parties. Here I would list, by way of illustration alone, some only of the many reforms which, if carried out, would help in having a better government:

1. The first is to prohibit by law elections to local bodies being contested on a party basis. The issues which have relevance to national parties, such as foreign, financial or commercial policy or to state parties, such as educational or agricultural policies, are of no relevance at all in the governance of a town or village. The intrusion of extraneous party considerations into municipal affairs clearly hinders good local government.
2. The second is the introduction of audit of the sources of funds of political parties and their expenditure and an enforcement machinery independent of the executive government to enforce the laws governing such contributions and such expenditure.
3. Thirdly, I would ensure, insofar as possible by law, the autonomy of institutions which are meant to be autonomous. The universities, for example, would immediately gain enormously if they were independently endowed instead of having to depend for every penny on the pleasure of governments. If the will is there, this can easily be done without any additional financial burden being incurred by the state. The mechanism is fairly simple--that is creation of an additional non-negotiable and irredeemable debt instrument which can be handed over to the universities so that the total interest on

their holdings (which would not exceed the grants-in-aid now given) would meet their expenses automatically. The services, for example, would benefit enormously if the power of postings, transfers, promotions and suspensions were transferred by law from the hands of the executive government to a Civil Service Board. The criminal laws would be enforced more efficiently if the prosecuting agency were placed beyond the control of the Executive as it is by convention in Britain and the United States and by law in most of continental Europe.

4. The fourth reform I would suggest is that, in the case of appointments, such as those of governors and judges, the discretion, which is now absolute, of the Central Government should be restricted. The object of this restriction would be to ensure that the holders of these very important offices, whose utility lies totally in their impartiality, are not only independent of influence by political parties but are seen and accepted by the people as being so.
5. The fifth reform I would suggest is repeal of the words "other than an office declared... by law not to disqualify its holder" in sub-clause 1(a) of Articles 102 and 191 of the Constitution. It is a cardinal principle of parliamentary government which was accepted in the United Kingdom after long years of battle between the King and the Commons that the holding of an office of profit under the Crown--excluding that of ministers--should disqualify a person from being a member of the legislature. The reason why this principle is so important is that if the King (i.e., the Executive) were free, as he originally was, to buy support within the legislature by giving offices of profit to its members, his power would become permanent as nobody would wish to oppose him. The elected representatives of the people would then not pursue the national interest but would vote as the King directed. The principle that an office of profit under the government should disqualify its holder from being a member of the legislature is equally enshrined in our Constitution in Articles 102 and 191, but the sub-clauses I have mentioned above say that the legislature can decree that the holding of certain offices of profit shall not disqualify. The result has been that both houses of Parliament and every single state legislature has declared innumerable offices of profit not to be such. This enables the party in power to buy the support of the legislators; if this provision were repealed, one source of corruption would be lessened. So would a law limiting the size of the Council of Ministers, a reform often bruited but never consummated.

We are all dissatisfied at the marked deterioration in the standards of our political life. Everybody with a social conscience is horrified at the growth of corruption and the pursuit of self-interest at the cost of the common weal. The object of my long discourse this evening is to draw attention to one element, namely, the party system, which has contributed to this deterioration. The restoration to our public life of the high standards which, till not so long ago, used to prevail, requires many fundamental changes in

our Constitution of which the reform of our system of political parties is one. In this talk tonight, I have attempted to suggest some steps towards that end.

Role of Vigilance in Public Administration*

PUBLIC ADMINISTRATION in India is all pervasive. Its involvement with the people is total. Although prior to Independence, maintenance of law and order was the primary task of the alien government, its role expanded considerably with the advent of democracy and Independence. The people of India constituted India into a sovereign democratic Republic and assigned to the new state the task of bringing about socialism. In the very preamble of our Constitution, the Republic has been directed to secure to all its citizens social, economic and political justice. Further, in one of the directives (under part IV of the Constitution), it has been laid down that "the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political shall inform all the institutions of the national life". It has also been laid down that "the state shall in particular strive to minimise the inequalities in income and endeavour to eliminate inequalities in status, facilities and opportunities, not only among individuals but also amongst groups of people residing in different areas or engaged in different vocations".

In pursuance of the above basic goals laid down in our Constitution, the state has, in addition to maintenance of peace and tranquility, taken upon itself the task of planned economic development of the country. In the successive Five-Year Plans, great emphasis has been laid on removal of poverty and unemployment with a view to bringing about a just, social and economic order. To prevent growth of big private houses in the economic field, the public sector has been assigned significant role in key economic sectors. As a result, the commanding heights of the economy are in public hands. Many large public sector undertakings are in the infrastructure sector, like the railways; ports; airways; roads; power generation; transmission and distribution; oil drilling and refining; fertilizer production; steel makings; coal mining; heavy engineering; etc. Important economic instruments, like Banks and Insurance have also been nationalised to facilitate planned development and socially purposeful lending. The state also plays a major role in providing various social services, like education, health, drinking water, urban and rural housing. In addition, it undertakes numerous welfare activities, concerning the weaker sections, like the scheduled castes and the scheduled tribes. Priority has naturally been given to agricultural development in our planning strategy as bulk of the people are dependent on agriculture and their economic well-being

* A talk delivered by Shri U.C. Agarwal, Central Vigilance Commissioner to the Members of the Association of Indian Diplomats on March 10, 1986 at New Delhi.

depends on higher agricultural productivity. Small and marginal farmers, agricultural labourers and rural artisans have been covered under various rural development programmes and projects. In sum, the spread of governmental activities is very large. The state is omnipotent and omnipresent. By enlarging its sphere in the economic arena, the state has tried to ensure that there is no concentration of wealth in a few hands and that the benefits of economic growth are shared equitably by all sections of the people. The founding fathers of our Constitution had a great sense of history when they assigned primacy of place to socialism. They must have realised that to ensure peace, harmony and stability of our society, all members of the Indian family must have equitable share in its growth, development and prosperity. They knew that injustice and economic inequalities in the past had led to social and political upheavals in many countries which had to face bloody revolutions, like the French, the Russian, and the Chinese revolutions. It was, therefore, an act of wisdom and foresight on their part to base the structure of our democratic Republic on the hard and durable foundation of socialism.

For such an economic, social and political arrangement, the state had naturally to play a great role in the life of the people. Public administration had to carry out these new and challenging tasks. Considering the variety and magnitude of the tasks, the size of the public administrative machinery and its personnel had of necessity to be gigantic.

Under the new dispensation, all sections of the people come in regular contact with administration at different levels, i.e., local, state and central for their day-to-day work. The main concern of the local bodies is in the areas of health, sanitation, education, water supply, electricity and housing. Practically, all citizens living within the area of any local body, be it a notified area, council, a municipality or a corporation, have dealings with its administration for one item of work or the other. The work may relate to approval of housing plans, getting water or electricity connections, assessment or payment of local taxes, etc. At the state level also, people have dealings with the state administration in the areas of education, health, communication, assessment and payment of various state taxes, getting licences and permits of all kinds. The farmers come in contact with the district, sub-divisional, tehsil and block administrations to get various facilities and state assistance meant for them. These may be in the areas of agricultural extension services, irrigation facilities, timely supply of seeds, fertilizers, pesticides and cooperative credits, different kinds of emergency relief at times of natural calamities, like floods, cyclones, drought, fire accidents, epidemics, etc. All sections of the people do at times need police help to protect their life or property. At the central level, the people have dealings with the central administrative machinery, directly under government or employed by its several important public sector undertakings, like the Railways, Post and Telegraphs, Banks, Insurance, etc. Most of other central activities in the areas of industrial licensing, import and export, trade, customs, excise, income-tax, etc., bring different categories of people in contact with the concerned administrative machinery.

Although the above mentioned expanded role of the local bodies, state and Central administrations was meant for the economic

development and welfare of the people, unfortunately, people in general do not have this happy feeling. Their experience with public administration is generally quite the opposite and their views about administration are by and large adverse. There is a widespread feeling that administrative machinery is not only slow moving and inefficient but also largely corrupt, indifferent and callous. The personnel employed in public administration, by and large, are neither motivated nor committed to bring about any social or economic advancement of the common man which was the main purpose in assigning a bigger role to administration in the lives of the people. In no area of administration, people feel that they can get even the legitimate things done in the normal course. To make the over-expanded, lethargic and corrupt machine move, either someone influential has to put in a word or somebody's palm has to be greased. There is no smooth sailing anywhere and people have to pay 'speed money' and run from pillar to post to get any work done in any local, state or Central Government offices. The common talk, these days, in any gathering veers round the near open and well entrenched corruption prevailing in practically all public offices. Different and clever modus operandi is adopted by different public functionaries to get their pound of flesh. There are known fixers and commission agents to show the way in the dense and dark bureaucratic jungle and it is difficult for any traveller to find his way alone without their hired assistance. People narrate their own sad experiences as to how they had to pay illegal gratifications to get either an electric connection or a gas connection or water connection or for railway reservation through some middlemen. Similar is the tale of woe for getting a telephone connection in a town or a city, or tube-well connection in a village.

Hardly anyone says that his work was done without harassment or without payment of illegal money or without any one's assistance. Similarly, one comes to hear of many instances of sub-standard stores being purchased or good items of inventory being clandestinely sold as scraps to make illegal personal gain. It is almost routine to hear about large-scale leakages of sales tax, income-tax, customs and excise revenues with the connivance of some departmental people. Some corrupt persons incharge of assessment and collection of taxes or duties get away after obtaining substantial shares for themselves, individually or collectively, thereby depriving the public exchequer of its full revenues. There are many reported cases of illegal selling of timber from state forests, coal from nationalised coal mines, power from state power distribution system, cement and steel from public sector factories or stock yards. There are also talks that huge quantities of unwanted stores are purchased and later allowed to be wasted or pilfered. Government hospitals suffer from lack of essential medicines, as often there may be either paper purchases or illegal leakages or callous wastage. Public transport system is also burdened with huge losses, to a large extent due to leakages of revenue, pilferage of stores, spares and lubricants and bogus purchases. Bank and insurance frauds are no longer uncommon. In sum, there is wide-spread feeling, even if partly untrue or somewhat exaggerated, that public money is often callously wasted and public property clandestinely misappropriated on a large scale by or with the connivance of the employees for personal gain. It is the

common belief that due to poor or dishonest management of public sector undertakings in the core areas, like power generation, coal-mining, steel making or rail and road transportation, the production costs are unreasonably high and productivity unduly low. Consequently, prices have to be raised every now and then to make up the losses, yet losses go on mounting due to unchecked malpractices and corruption. It is like storing water in a leaking vessel; one may keep on filling the vessel from time to time and yet it keeps on emptying itself due to the many leaking points. The prevailing malpractices all-round, leakages of revenue, clandestine misappropriation, pilferage, or wastage of public property and assets is undoubtedly putting a heavy burden on the honest workers and honest tax-payers. Generally, people are having a very poor opinion about the health and integrity of our administrative machinery. Even the intellectuals and the ideologist are increasingly coming round to the feeling that with such an inefficient and largely dishonest machinery, there may be little hope of bringing about any rapid economic development, leave alone ushering in of socialism in the foreseeable future. People have, in fact, started questioning the wisdom of further expanding the role of public administration in the fields of social and economic development. The ever mounting cost of administration, in brief, is considered to be a burden round the neck of the people without much matching gain. One is rather disappointed to see that state involvement in many economic and social fields is becoming both costly and counter productive. There are clear signs of diminishing returns from the investments already made. The lesson is coming home that one should swallow only as much as one can properly chew and digest. One wonders if it is not time to apply the reverse gear to stop further deterioration of administrative standards, integrity and values.

There are numerous causes for this fall in the standards of integrity and efficiency of our public administration. A few important ones are as follows: Firstly, the general social climate has become highly materialistic and no scruples or ethical values worry the people in going ahead. The spread of materialistic culture has become so widespread that all is considered to be fair in making money. No means appear to be questionable. The emphasis appears to be more on 'making' rather than 'earning' money. There are increasing number of cases of vulgar display of wealth by the socially high ups in their style of living, housing and social functions. Since government employees are part of this new society, they could not remain guardians of traditional virtues, unaffected by the excessive materialistic culture. Many of them too, without inhibition, indulge in money making by foul means whenever suitable opportunities come their way. There are, of course, plenty of avenues and opportunities for this due to the wide ranging involvement of government in regulatory, welfare and economic activities as narrated earlier. Secondly, the temptation for corruption is aggravated on account of inadequate remuneration of government and public sector employees at all levels. The salary scales and other perquisites have not kept pace with the price rise and inflation. Naturally, when there is, on the one hand, poor remuneration but, on the other hand, ample opportunities for extra income through corruption, growing number of government servants tend to succumb to temptation. This is further facilitated by

the absence of adequate external vigilance or much social stigma. To begin with, corruption may start in a small way among some people only but it keeps on increasing like cancer and after a while becomes deep-rooted, widespread and incurable. It also develops great immunities and resists easy detection or cure. Being highly contagious, it is able to spread with comparative ease to more and more people working together in any office or factory. At this stage, there is little shame in making extra money. In fact, when it has become widespread and common, the competition drifts to raising its rates and levels by adopting novel methods. Commission agents also appear on the scene to get a share. They also prevent direct exposure of the bribe-takers and bring some order in fixing workable rates in the free market of corruption. Fixed rates of bribery become known cost factors for any one to decide whether to avail of any Government benefit, facility, permit or contract, in fact, practically for all kinds of dealings in public offices. Thirdly, in a democratic set-up, corrupt elements in public services try and find persons of power and influence, inside or outside government to shield and protect them. The internal code of conduct and rules of discipline of government employees get seriously impaired due to outside interference in personnel management; undesirable pulls and pressures are brought about in matters of postings, transfers and promotions. These, no doubt, disturb the internal chain of command and control. There is little fear of higher ups for any misconduct or hope of protection from them in cases of unjust treatment. Consequently, a feeling develops among public servants that good work hardly gets rewarded and bad conduct seldom gets punished if there is some god-father to protect. When there is an unhappy situation of this kind, anti-corruption law or vigilance agencies, like the CBI and the Central Vigilance Commission, find it difficult to make visible impact on prevention of corruption in public administration. Effective vigilance requires the existence of an effective chain of command to enforce discipline and good conduct among public servants. Effective chain of command is possible if there is an in-built arrangement to reward good work and punish misconduct without any outside interference, pulls or pressures.

There was a time when corruption and malpractices were confined to few people at the lower levels, and in a few departments only. Unfortunately, with the spread of governmental activities, fall in the real wages of government employees, outside interference in administration and consequent dilution of the chain of command and general decline in moral values, one cannot say with confidence now, that there are many or any area of public administration which are free from malpractices or corruption. The disease has spread with varying degrees of intensity, practically to all levels and to all departments of government and its public sector enterprises. However, in spite of this prevailing gloom, fortunately it is also a fact that there are still a large number of people at all levels and in all departments and in the public sector, who still perform their duties with sincerity, dedication and honesty. In spite of the general decline in values, their conduct remains beyond reproach and they provide hope and light in the darkness. With such people around, certainly all is not yet lost. Even though the percentage of honest people in the vast public administration machinery may not be as

large as one would like, yet they are able to make the system move, however, slowly. It is one of the important functions of the vigilance machinery in administration and the Vigilance Commission to protect such honest individuals against false allegations, arbitrary action and harassment by the interested parties. It is unfortunate that the number of false and motivated complaints is so large that the task of catching the really guilty ones becomes very difficult. It is not uncommon to find the corrupt public servants mounting campaigns against the honest ones if they happen to come in their way of money making. They also easily enlist the support and cooperation of outside beneficiaries to harass and harm the honest public servants. One has, therefore, to exercise due care and caution before investigating complaints of corruption or misconduct coming from irresponsible quarters. The general reputation of the concerned public servant and his record of service has to be taken due note of before he is subjected to any enquiry. It is for this reason that anonymous complaints, where the complainant does not disclose his identity are generally not to be acted upon unless there are easily verifiable facts.

Even though the people have learnt to live with corruption, as they feel helpless and find no alternative, it is not in the long-term interest of our society and the state to tolerate the existence of this fatal disease. Corruption and malpractices in government machinery and the public sector undertakings will defeat the very purpose of our planning and seriously retard the economic progress of the people. The task of bringing about a just, social and economic order desired by the illustrious founding fathers of our Constitution will be frustrated. The greater danger is that we may slip into a situation where might will be right and there will be no effective laws to regulate and enforce good conduct amongst public functionaries. We will revert to the law of the jungle, making life short, nasty and brutish. Such chaos may ultimately end in fearful social and political disorder and turmoil. If things are not checked quickly, people may get fed up with the present public administration machinery and may destroy it. No state institution, once it ceases to be useful, and becomes a source of exploitation or harassment, howsoever, seemingly powerful it may be, can survive the wrath of the people. Such an institution is bound to be cast aside, like any waste material, by the currents of history. This has happened in the past to many social and political institutions in many countries, where these institutions became useless parasites. We must, therefore, foresee these gloomy prospects and take urgent corrective measures to make our administration both efficient and clean and must not allow it to become a burden on the people. Happily, of late, this awareness has come and some corrective measures have been initiated to effectively deal with the problem of corruption in administration. These measures relate to areas of preventive, detective and punitive vigilance. Action plan, in these three areas, is briefly as given below :

Preventive Vigilance

- (a) Simplification of rules and procedures;
- (b) Reducing the area of discretion and patronage;
- (c) De-regulation, where possible, to reduce the points of cor-

- ruption and harassment to the public;
- (d) Introduction of public information and assistance counters in departments and places having public dealings;
- (e) Setting up of redressal of public grievances machinery in each ministry;
- (f) Systematic and surprise inspections by senior officers;
- (g) Monitoring disposal of cases with a view to checking delays;
- (h) Curbing outside interference in administration and personnel management; and
- (i) Improving wages and service conditions of public servants.

Surveillance and Detection

- (a) Greater surveillance and intelligence in corruption prone areas, particularly at public contact points by strengthening the vigilance machinery, where necessary;
- (b) Closer watch on officials of doubtful integrity by vigilance machinery;
- (c) On a selective basis, moveable/immovable assets of persons of doubtful integrity to be checked and verified periodically;
- (d) As a follow-up action of (c) above, traps and raids to be organised, where necessary.

Deterrent Punitive Action

- (a) Investigation of cases to be speeded up according to a time-bound schedule;
- (b) Procedure for disciplinary action to be improved for speedier finalisation of cases and deterrent punishment awarded;
- (c) Provision of summary trial by courts in cases of corruption and provision for deterrent punishment;
- (d) Legislative measures for confiscation of ill-gotten wealth;
- (e) Provision for premature retirement of persons of doubtful integrity to be enforced more rigorously to weed out corrupt elements;
- (f) Close monitoring of all anti-corruption measures; and
- (g) Wide publicity of punishment awarded to guilty persons.

Greater emphasis is being laid on preventive vigilance as admittedly prevention is better than cure. This is a more positive approach to vigilance in the sense that root-causes of malpractices and corruption need to be identified in different areas of administration and appropriate preventive action taken by way of improvement of the system itself so that such malpractices do not occur. The scope for mischief needs to be completely eliminated or at least considerably reduced. The existing rules, procedures and practices are being reviewed by each ministry in order to see that ambiguities are removed and unnecessary paper requirements are done away with. Wherever possible, procedures and practices are to be simplified and due publicity given for the benefit of the people in general. The whole intention is to ensure that people do not have to run to government offices for every little work. To the maximum extent possible the need for personal contact with the government machinery has to be reduced. In certain areas, use of computers would also eliminate scope for corruption, like reservation of seats in the railways and airlines. Banking and insurance services may also go in for greater

computer use to be able to supply quicker information and render more efficient customer service.

As mentioned earlier, one single important factor responsible for corruption is the involvement of government on a very large scale in the areas of socio-economic development. Many of these governmental activities may not be proving as useful or beneficial as was the expectation. A review of such governmental activities need to be initiated to see what items of work could be given up without any serious departure from the main goals of socio-economic development. If this task is seriously undertaken, it may at least prevent further expansion of government machinery if not its curtailment. Will it not be better to do less work more efficiently and honestly with beneficial results rather than take up too much of multifarious work and do it perfunctorily, causing waste of public money and harm and annoyance to the people? A more pragmatic approach to the role of the state and spread of governmental activities is, therefore, called for as a long-term measure for prevention of corruption. We have got to derive lessons from our own experiences that there are after all limits to useful economic and welfare work by governmental machinery. It need not poke its nose in every thing for the simple reason that more it tries to do, more it becomes counter-productive. All the schemes that may glitter on paper, may not turn to be gold in the hands of government. In the process, the instruments of administration may also get spoiled and alienated from the people losing their faith and confidence. In plain language, plans of attaining our socialistic aspirations through an expanded government machinery need to be viewed more realistically.

Another important cause of corruption in public services, as stated before, is the poor remuneration of public servants of all categories. The Fourth Pay Commission is presently considering this question and may suggest suitable improvements in the pay scales and other service conditions, including retirement benefits and pension of government employees so that temptation for corruption due to inadequate wages is reduced.* Revised pay-scales, etc., of government servants can later be suitably adopted for public sector employees. Inadequate wages is again due to employment of a very large army of people and hence the incapacity to pay them well. The number of Central Government employees alone of all categories would be about 5 million. To pay them on the average Rs. 100 p.m. extra would cost the public exchequer about Rs. 600 crore a year. This figure would be staggering if we take into account the Central and state public sector employees as also state and local body employees. Any wage increase of one category has necessarily to be matched by similar increases of other categories. Then there are several lakh of civil and defence pensioners to be taken care of. All these do suggest the need for a more critical review of the expansion of public administration in different fields. We must cut our coat according to the cloth available.

Another important factor leading to corruption in the government machinery is the gradual decline in discipline among all categories of employees. It is hoped that outside interference in administra-

*The Pay Commission has since submitted its report.

tion and personnel management will be removed in accordance with the new strategy and the chain of command restored. This will make the internal and external vigilance agencies more effective for preventive as well as punitive action. It may be pretty difficult to bring any order or inculcate any values in a large indisciplined workforce. Catching and punishing a few, here and there, may not have much desired impact. It is, therefore, very necessary to restore internal discipline by giving requisite power and authority at different levels of administration. There has to be both fear and sense of responsibility in doing one's work sincerely and honestly. In a large governmental organisation, corruption cannot be effectively curbed by any single centralised agency. This task has to be carried out by equally effective departmental agencies at different levels. Their effectiveness will depend on eliminating outside interference.

Another long-term measure to deal with corruption in administration, which lies outside the administrative field, is to take suitable measures to discourage and condemn vulgar display of private wealth and ostentatious living by any one. Needless to say that the top echelons of society and government, public servants and public men, leaders of society, business and industry, have to set examples of simple living and high thinking. By personal example of good conduct, they could bring about a change in the prevailing value system for the better. Higher they are, greater is their responsibility to keep the moral environment cleaner. General social environment does affect functioning of public services as well.

Again, since politics and administration are inter-linked and inter-twined, it will be difficult to make a visible dent on prevention of corruption among public servants without enforcing adherence to correct values among public men, i.e., all those who hold any post or public office or are in a position to exercise any influence on public functionaries. For this, our law for prevention of corruption may have to be given a fresh look so as to expand its scope and strengthen its penal provisions. Any abuse of public office or influence for private gain has to be publicly condemned and penalised. Ill-gotten wealth should also be confiscated fully after due enquiry.

For immediate action, some aspects of preventive vigilance need to be highlighted. These are setting up of effective machinery for redressal of public grievances and effective monitoring or disposal of cases at different levels by senior officers. Often cases are delayed with a view to harassing and extracting money from the persons concerned. Regular and effective monitoring by senior officers as well as periodical inspections and surprise checks are called for. Normal inspections of lower field formations and offices by senior officers have greatly suffered due to good deal of waste of their time in less productive work and in running around. There is also a growing craze for media attention and publicity among public servants. Consequently, routine work, which does not attract TV or press coverage, is generally neglected. There is also a tendency to indulge in window dressing and cheap publicity rather than do silent hard work. This publicity mania among all public servants must be frowned upon. Public servants craving press publicity often turn out to be stunts and nine-day wonders. Anonymity is the best virtue of a

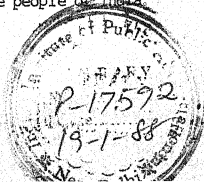
truly honest and efficient public servant.

Long tenures in different supervisory posts are also necessary for planned action. Sensitive holders of posts/seats at the cutting edge level need, however, to be rotated at comparatively shorter intervals.

The above mentioned administrative measures need to be urgently taken to improve the cleanliness and efficiency of the administrative machine. Some measures have already been initiated in these directions by different Central ministries. However, a good deal more remains to be done for better results. In brief, the strategy being followed for prevention of corruption in public services may be summarised as below

1. Reduce its scope by:
 - (a) review of governmental activities to eliminate unnecessary work;
 - (b) simplification of rules, procedures and practices and general system improvements; and
 - (c) better supervision, inspections and monitoring.
2. Reduce temptation to corruption by upgradation of pay-scales and service conditions.
3. Better policing and vigilance to :
 - (a) exercise greater check on corruption prone areas and individuals;
 - (b) identify hard-core corrupt elements; and
 - (c) take exemplary punitive action against corrupt elements by removal and dismissal from service.

Needless to say that corruption among public servants, in fact, in case of holders of any public office, should be considered as a social crime and should be more severely dealt with than any ordinary crime. The problem of corruption is, indeed, very grave and calls for urgent remedial action on all fronts. Both short-term and long-term measures in the preventive, detective and punitive areas need urgent attention to check further spread of corruption in our administration. One must recognise that power corrupts and absolute power corrupts absolutely and, therefore, eternal vigilance on the conduct of all public men and officials exercising any state power through any of its organs, is essential to keep them on the right path. Good conduct of all others has a bearing on the good conduct of government and public sector employees, since all work together for the main purpose of bringing about a just, social, economic and political order for the benefit of the people of India.



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